Daily Report

Latin America

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Cuba

Ochoa Military Tribunal To Continue 3 July

FL0307144789 Havana Tele-Rebelde Network in Spanish 1100 GMT 3 Jul 89

[Text] Today at 1500, the third session of the expeditious trial conducted by the special military tribunal which is judging a group of ex-officers of the Revolutionary Armed Forces [FAR] and the Ministry of the Interior will continue in the FAR's Universal Hall.

Summary of Session

FL0407132689 Havana Tele-Rebelde Network in Spanish 1100 GMT 4 July 89

[Text] The expeditious trial of 3 ex-officers of the Revolutionary Armed Forces [FAR] and 11 from the Ministry of the Interior [MININT] continued with the third session of the oral hearing. During this session, declarations were given by the rest of the accused, as well as by witnesses.

The third session began at 1500 and, at the request of prosecutor Brigade General Juan Escalona Reguera, the accused, Miguel Ruiz Poo was again called to testify. The objective of the Prosecutor's Ministry was to clear up some details pertaining to Ruiz Poo's statements last Saturday [1 July] referring to drug trafficking operations.

With this same purpose, the accused, Jorge Martinez, Eduardo Diaz, Arnaldo Ochoa, and the brothers Antonio and Patricio de La Guardia Font, were again called to testify and describe, in detail, aspects of these operations. Afterward, Jorge Luis Pineda Bermudez, Gabriel Prendes Gomez, and Lionel Estevez Soto gave their statements. The latter group of men has been accused of participating in drug trafficking activities and illegal possession of currency, among other charges. The three men were found in possession of large sums of money, both dollars and national currency, at the time of their arrests. In his declarations, the prosecutor proved that the accused participated in drug trafficking. He termed their conduct as unworthy, dishonest, and irresponsible.

Immediately afterward, Patricio de La Guardia Font was called to testify. He acknowledged to the tribunal his involvement in the actions of which he is accused. The prosecutor showed that Patricio had, since the end of 1988, knowledge of the activities his brother Antonio was carrying out in drug trafficking. However, despite his knowledge, Patricio did not inform the high command nor the Revolution's leadership. As general of the MININT, he carried out a disloyal attitude of complicity. When questioned by the prosecutor, Patricio de La Guardia acknowledged having talked with Arnaldo Ochoa in Angola about the possibility of obtaining currency from drug trafficking operations. He also carried out, along with Ochoa, ivory smuggling activities.

In a spontaneous statement, De La Guardia talked about the campaign organized abroad for this activity. He also stated that he has been treated with respect, attention, and consideration. He said he even requested and designated Major Julio A. Gonzalez, whom he has known for many years, as his defense attorney. Prosecutor Escalona Reguera showed that the ex-MININT general appropriated currency obtained from illicit deals he carried out with his brother Antonio. In turn, the accused admitted to having taken some $30,000. Finally, the prosecutor ended his questioning by saying: You, Patricio de La Guardia, forgot your place as a dignified man and as a revolutionary. Regrettably, you can only be called one thing, traitor.

After a recess, the session began again with the prosecutor and the defense questioning the witnesses. This permitted viewing of evidence which showed the modus operandi used by the accused in their drug trafficking activities, as well as their illicit dealings. Esteban Yanes Diaz, Lieutenant Colonel Andres Manuel Pardo Ramos, Carlos Manuel Pena Gonzalez, Antonio Alberto Pena Gonzalez, and Colonel Rafael Morales Velazquez testified as witnesses. They contributed in clearly showing the participation of the accused in the events for which they are being judged, just as in the case of the Pena Gonzalez brothers. At the request of Amado Padron, one of the main people accused in drug trafficking, the brothers hid a refrigerator that contained $108,000.

After another brief recess, the hearing began with the appearance of Lieutenant Colonel Enrique Montero Lenzan and First Lieutenant Ramon Ferrin Lopez as witnesses. Later, the prosecutor said that the development of the proceedings permitted him to call several other witnesses, and so he called for investigators Lieutenant Colonel Pedro Alvarez Lugo, Division General Manuel Fernandez Crespo, and Lieutenant Colonel Eduardo Delgado Rodriguez to testify.

Lt Col Alvarez Lugo spoke about the attitude maintained by the detained during the investigation and said that in the case of Antonio de La Guardia, Amado Padron, Antonio Sanchez Lima, Eduardo Diaz, and Gabriel Prendes the available information had to be used to make them admit to the crimes they had committed, because at first they did not cooperate. The rest of the accused did cooperate. He noted that Patricio de La Guardia did not participate directly in drug trafficking, but, in this respect, he was aware of his brother's doings. Alvarez also said that in the course of the investigation, $1,231,791 and 423,744 Cuban pesos, as well as 39 cars with luxurious additions, a motorcycle, and 186 firearms were seized.

Div Gen Manuel Fernandez explained how, once alerted by the commander in chief, they detected radio communications via technical measures. The communications, which were picked up last 24 April, were originating in Cuban territory and were being transmitted to the United States and Colombia. These communications

were related to drug trafficking. Since the detection of the radio communications on 24 April, a detailed investigation was started. Div Gen Fernandez termed these events as grave treason of the fatherland. The authorities also detected migratory and security violations when the accused permitted people in launches, which could have been CIA agents, to enter the country and moved about unrestrictedly. At the same time, other MININT operative mechanisms were violated endangering the state's security.

Afterward, Lt Col Delgado Rodriguez testified and referred to the activities carried out by Ochoa Sanchez and Jorge Martinez. He noted Ochoa's dreams to carry out large drug trafficking operations, as well as his illegal commercial ventures, appropriation of currency, and unauthorized relations with foreigners who could have been linked to the enemy's special services. As an example of the methods used to cover up the illegal activities, he explained how the accused made the ivory suppliers believe that there should be an elephant's tusk in each of Cuba's municipal museums.

During the entire session, the attorneys in charge of the defense asked the accused and the witnesses numerous questions trying to detail and clear up different aspects corresponding to each defendant's level of responsibility. At about 2300, the president of the tribunal declared the testimonies concluded.

The oral hearing will continue today, Tuesday [4 July], at 1800 and not at 1500 as had originally been reported.

Messages Sent in 'Repudiation'

FL0407225389 Bridgetown CANA in English 2002 GMT 4 Jul 89

[Text] Hundreds of messages have been sent in support of the GRANMA editorial and in repudiation of the former officers of the MINFAR [Ministry of the Revolutionary Armed Forces, FAR] and the MININT [Ministry of Interior] who betrayed the fatherland.

Messages have come from the workers of the Vanguardia Proletaria railway workshops in Guantanamo Province and from the workers in B Building of the (Abril D.J.C.) publishing house in the capital. A message repudiating the group of former FAR and MININT officers who betrayed the fatherland was also sent by members of the vigilance and protection corps of the MINAZ [Ministry of Sugar] in Camaguey. In addition, postal workers in San Antonio de Los Banos held a meeting [preceding word in English] to express support for the GRANMA editorial and condemn the traitors. The collective of workers of the (Patricio Darumba) center in Caimarien, people's government workers, and municipal trade enterprise workers in Remedios, Villa Clara, also condemned the traitors.

Reportage on DPRK Festival of Youth, Students

Castro Message to Kim Il-song

FL0107144489 Havana Radio Reloj Network in Spanish 1401 GMT 1 Jul 89

[Text] Upon receiving the Cuban delegation attending the 13th World Festival of Youth and Students, DPRK President Kim Il-song today said that his country's friendship with Cuba will be eternal.

The Korean leader described the Cubans as brothers and friends and he said that the presence of our delegation is very significant, not just because of the brotherhood that unites the two peoples, but also because it is proof that relations between Pyongyang and Havana are reaffirmed in revolutionary unity.

Commander of the Revolution Juan Almeida Bosque told Kim Il-song that this festival is more important than a [word indistinct] because the youths of the world will fight for peace here and because of the festival's high anti-imperialist content. The Cuban official also conveyed greetings from President Fidel Castro who wished him success in the most important youth event.

Text of Message to Youths

FL0307211789 Havana Radio Reloj Network in Spanish 1932 GMT 3 Jul 89

[Text] Commander in Chief Fidel Castro, first secretary of the Central Committee of the Communist Party of Cuba [PCC] and president of the Councils of State and Ministers, sent a message to the youths of the world participating in the 13th World Festival of Youth and Students. The message was read today by Roberto Robaina, member of the PCC Central Committee and first secretary of the UJC [Union of Young Communists] during a meeting of solidarity with the Cuban people, youths, and students in the plaza facing the Pyongyang Light [ligera] Athletics Center.

The message says: We are pleased to send the cordial greetings of our people to you at that youth festival where different ideas, ideologies, and social expressions unite in the decision to fight for the preservation of peace and the improvement of the destiny of man. There we see one of the most important merits of that powerful movement, Fidel said.

In his message, Fidel expressed his satisfaction that the festival is being held for the first time in Asia—in Pyongyang, the capital of the DPRK—as an expression of universal solidarity with the peoples of that continent. Fidel also said: Today we appreciate with hope the favorable changes in the international situation. He added that for the first time in history, a reduction in nuclear weapons has been achieved as the product of the fight of the peoples, the peace policies of the USSR and other socialist countries, and the efforts of the nonaligned countries.

Because we do not yet live in a world of peace, we feel the need to continue fighting for the principles of peaceful coexistance, Fidel later said. We are close to the next century and we are full of optimism and confidence in the future because we see renovation and continuity in the youth gathered at the festival, Fidel said.

Delegate Denounces White House 'Double Policy'

FL0307201189 Havana Radio Progreso Network in Spanish 1630 GMT 3 Jul 89

[Text] During the forum against disarmament in Pyongyang, capital of the 13th World Festival of Youth and Students, Cuban citizen Manuel Fernandez reiterated the need to advance on the road toward the end of the arms race.

In front of those attending the forum for peace, disarmament, a world free of nuclear weapons, and security, Fernandez denounced the double policy of the White House which, on one hand, negotiates to destroy weapons while on the other hand, supports the anti-Sandinist bands and tries to destabilize Panama.

Another important meeting in Pyongyang focuses on the future of the festivals and the delegates defended the importance of preserving the anti-imperialist tradition of these world youth festivals.

Havana Reports U.S. Troops Take Panama Town

FL0407191189 Havana Tele-Rebelde Network in Spanish 1700 GMT 4 Jul 89

[Report by Nelson Notario Castro]

[Text] Panamanian public opinion has condemned the taking over of Gamboa by U.S. military troops. According to what has been said here, this constitutes a flagrant violation of the Torrijos-Carter agreements.

The residents of Gamboa, astonished, watched the arrival of armed helicopters, as well as troops, armored vehicles, and personnel carriers. While a single, calm Panamanian soldier guarded the Pacific Panamanian Forest Guard building, the troops surrounded the building as if it were a great military installation.

The U.S. troops tried to scare the residents, threw the towns children out of the football stadium, and then entrenched themselves in Gamboa. Meanwhile, units of the Panamanian Defense Force moved into defensive positions, but did not let themselves be provoked; they kept serene at all times.

Gamboa, which is on Panama's Atlantic side, is a reverted area. This is to say, it was under U.S. jurisdiction until the area was included as part of Panama's sovereignty, as per the Torrijos-Carter agreement. Analysts agree that the actions by the U.S. troops are not simple examples of psychological warfare, rather, they are preparations for actual combat. This last move was part of a reconnaissance maneuver.

Soviet Journalists Discuss CPSU Congress

FL0107012989 Havana Television Service in Spanish 0000 GMT 1 Jul 89

[Text] Today in Havana, a roundtable meeting was held to discuss the First Congress of People's Deputies which was recently held in the USSR. The roundtable took place at the NOVOSTI press agency headquarters in Havana. With the participation of accredited representatives from Soviet information organs and some of the nation's journalists, the participants exchanged views on the various aspects that were discussed at the congress meeting in which the new Soviet Parliament was elected.

The TRUD correspondent in Cuba noted the attention given by the congress to the rising standards of living in the USSR and the socioeconomic measures used to achieve it. In this sense, he mentioned the proposal to increase the pensions given to the least fortunate war veterans, their relatives, and retired persons.

Also noted at the roundtable was the concern shown by the delegates at the congress for the financial problems being faced by the Soviet Union, as well as the task given the Supreme Soviet and the new government to find solutions that will allow an increase in production.

While answering questions for the press, the Soviet Embassy's information advisor, Gennadiy Siysov, said that the Soviet Parliament, via the commissions created for this purpose, would analyze the USSR's assistance to underdeveloped countries. The purpose of analyzing this matter is to make this aid more efficient. In particular, Siysov noted that Soviet-Cuban cooperation has a character which is mutually advantageous and is progressing in an increasing manner.

Namibia's Nujoma Calls for Increased UN Forces

FL0106021189 Havana Television Service in Spanish 0000 GMT 1 Jul 89

[Text] Today, Sam Nujoma, leader of the South-West African People's Organization [SWAPO], called for an increase of UN soldiers in Namibia to ensure favorable conditions for next November's general elections.

During a news conference granted in Paris, Nujoma said this was due to the terror campaign that is being unleashed against the Namibian population. The SWAPO leader said that the elections should be honest, clean, and free.

Nujoma is ending a visit to France today and will now be returning to Windhoek as part of the repatriation of Namibian refugees stipulated in the UN plan for Namibia's independence.

Alarcon Arrives in Luanda for Meeting
FL0407181989 Havana Radio Rebelde Network in Spanish 1700 GMT 4 Jul 89

[Text] Today, the Cuban vice minister of foreign relations, Ricardo Alarcon de Quesada, arrived in Luanda, the capital of Angola. He is part of an advanced group of our nation's delegation to the Fourth Ordinary Meeting of the Joint Quadripartite [as heard] Commission scheduled to meet this weekend.

The commission, which is in charge of keeping up with the carrying out of the peace agreements on South West Africa that were signed in December 1988 by Angola, Cuba, and South Africa, will meet in Luanda, the host city. The Soviet Union and the United States will be present at the meeting as observers.

The last meeting took place in Cape Town, South Africa, after having previously met in the capitals of Angola and Cuba, as established in the agreements signed in New York. These agreements state that the meetings will alternate between the capitals of the nations that signed the agreements.

The members of the commission have also held three extraordinary meetings to study the Namibian situation.

Dos Santos Accuses UNITA of Breaking Truce
FL0407183989 Havana Radio Rebelde Network in Spanish 1700 GMT 4 Jul 89

[Text] Today, Angolan President Jose Eduardo dos Santos accused UNITA [National Union for the Total Independence of Angola] of having violated the cease-fire agreed upon at the 22 June summit in Gbadolite, Zaire.

Dos Santos made these declarations to the Congolese press after ending a meeting with Congolese President Denis Sassou-Nguesso and Gabonese President Omar Bongo. In this meeting, the three heads of state studied the implementation of the peace process in Angola.

When referring to U.S. Secretary of State for African Affairs [title as heard] Herman Cohen's next visit to Angola, dos Santos said he was hoping that Washington and Luanda would normalize relations.

Aguirre del Cristo Receives Ecuadoran Delegation
FL0307182289 Havana Tele-Rebelde Network in Spanish 1700 GMT 3 Jul 89

[Text] A new step in strengthening bilateral relations between Cuba and Ecuador took place this morning when Severo Aguirre del Cristo, acting president of the National Assembly of the People's Government, received a delegation from the Andean country's National Congress.

During the talks, several subjects dealing with bilateral cooperation between both institutions were discussed. Also, the traditional friendship that exists between both Latin American nations was noted.

Deputies Jose Ruiz, Diego Torres, Facundo Flores, and Galo Herrera, as well as Mr Napoleon Sierra make up the Ecuadoran delegation. Representing Cuba, in addition to Severo Aguirre, were Deputies Faure Chomon, Ramon Pez Ferro, and Felix Moreno. Also attending the meeting was the minister adviser from the Ecuadoran Embassy in Cuba, (Leonardo Ruiloa).

Espin, Rodriguez, Cienfuegos Welcome Combatants
FL0307151889 Havana Tele-Rebelde Network in Spanish 1100 GMT 3 Jul 89

[Text] Vilma Espin, member of the Communist Party of Cuba [PCC] Politburo and president of the Federation of Cuban Women, spoke at the ceremony receiving almost 1,000 internationalists who returned victoriously aboard the Soviet ship ("Pyoter Shalapin"). The ceremony was held at the National Theater's Cobarrubia Hall. Also presiding over the ceremony were Carlos Rafael Rodriguez and Osmani Cienfuegos, both members of the PCC Politburo.

[Begin Espin recording] We wish all of you a warm embrace, an embrace from Fidel, Raul, and all the comrades who cannot be here today because they are working on the proceedings of that bitter task we are undergoing. Know this, we will come out as always, stronger, and more conscious of how we should work.

At this time, also remember the mothers, fathers, children, sisters, and families of all the comrades who fell in battle. Remember those who today wait for you, those who await you in your homes, provinces, and municipalities. We are happy that you have returned and we wish you many congratulations. Fatherland or death! [internationalists respond: We shall win!] [applause] [internationalists chant: The Revolution will not be detained!] [end recording].

FAR Reports 12,557 Combatants Back in Nation
FL0307180389 Havana Tele-Rebelde Network in Spanish 1700 GMT 3 Jul 89

[Text] A message from the Ministry of Revolutionary Armed Forces of Cuba states that in fulfillment of the bipartite agreements signed in New York on 22 December 1988 between Cuba and Angola, 3,290 internationalist combatants returned victoriously to the fatherland in June.

To date, a total of 12,557 internationalist combatants have returned to the fatherland. In this manner, our country continues to fulfill the established withdrawal schedule.

Conforming to the agreements that were signed, the withdrawal of these troops has been controlled by the UN verification mission in the People's Republic of Angola.

New Radio Program Responds to 'New Situations'
FL0101125589 Havana Radio Progreso Network in Spanish 1100 GMT 1 Jul 89

[Text] Dear Listeners: Today we end this [Progreso] newscast of several years but it is only a formal ending because its content and essential objectives will be included in the great magazine program ["A Primera Hora"] that we begin on Monday [3 July]. The new program will start at 0500 [0900 GMT] and will conclude 3 hours later. It will include the widest range of entertainment, national and world events, and topics of general interest.

New situations require new projects and because of this unquestionable truth, we have tried to do this. This is our duty and obligation in the interest to best serve those who are our best audience: you, the people.

To all of you who have accompanied us during these years, we do not say good-bye. Instead we say: Until Monday, happy weekend!

Caribbean Affairs

St Vincent's Prime Minister To Attend Meeting
FL0107162289 Bridgetown CANA in English 1530 GMT 1 Jul 89

[Text] Kingstown, St Vincent, July 1, CANA—St Vincent's prime minister, James Mitchell, has had a change of heart and will atend the next Caribbean Community (Cariconm) heads of government conference, opening in Grenada Monday. Mitchell had said he would not be going to St Georges because the atmosphere there was not conducive to the summit. This came after a senior Vincentian policeman on loan to Grenada shot dead Grenada's acting police chief and an American diplomat last Wednesday.

On Saturday, Mitchell told CANA he had reconsidered his decision and "will be going there Sunday afternoon."

Mitchell's change of heart came after Prime Minister A.N.R. Robinson of Trinidad and Tobago, John Compton of St Lucia, and Eugenia Charles of Dominica had suggested he reconsider.

"...It is with these discussions and their requests I have decided in the interest of Caribbean unity and the matters that are relevant for this unity to proceed that I should review my decision to go to Grenada and, therefore, I think I'll be going there on Sunday afternoon," he said.

Mitchell's decision means that only one Caricom leader—the ailing Vere Bird Sr of Antigua and Barbuda—will miss the annual summit. Bird's deputy, his son Lester, will head the Antigua and Barbuda delegation. Lester Bird had told Caricom Secretary Gerneral Roderick Rainford earlier this week:

"After discussion with Prime Minister James Mitchell, it appears prudent to consider whether or not the heads meeting should be postponed or venue changed. Please canvass all other heads of government and contact me soonest."

Last Wednesday, Vincentian policeman Grafton Bascombe shot dead Acting Police Commissioner Cosmos Raymond and American diplomat John Butler, who had tried to disarm him. Two senior policemen were also injured. Bascombe later died of a heart atack, a government spokesman reported.

The motive behind the attacks is unclear, but officials here say they are looking into claims of misuse of military funds against Bascombe.

Caricom Finance Ministers Discuss Capital Market
FL0407005889 Bridgetown CANA in English 2055 GMT 3 Jul 89

[By Sandra Baptiste]

[Text] St George's, Grenada, July 3, CANA—Caribbean Community (Caricom) financ ministers on Monday recommended that a committee be established to discuss closer collaboration among existing stock exchanges in the region and in the long run the creation of a Caricom capital market. Conference sources told CANA the committee, which is expected to be formally approved by Caricom leaders this week, would comprise officials from central banks in the region and the Barbados-based Caribbean Development Bank.

The three existing stock exchanges are located in Barbados, Jamaica, and Trinidad and Tobago.

According to one delegate, the Jamaica proposal for a regional stock exchange "requires much more study" and some of the constraints were identified in presentations by St Lucia and the Bahamas. These included the problems with movement of capital and the differing monetary systems in the region.

Earlier, Bahamas Prime Minister Sir Lynden Pindling had told CANA that the proposal for a regional capital market was "a good idea" but was "premature". "When we would have reached the stage where the restrictions that have been imposed on the flow of goods and the flow of currencies have been withdrawn or greatly reduced, the chances of success of a regional stock exchange would be considerably improved," Pindling said.

The finance ministers also discussed the debt situation as it affects Caricom member states whose debt totals about U.S.10 million, with Jamaica and Guyana accounting for a sizeable chunk. At the meeting, chaired by Grenada's Prime Minister and minister of Finance Herbert Blaize, ministers recommended that a committee be set up to examine the debt situation generally and more specifically, to formulate a Caricom response to the debt proposals from the Latin American Economic System (SELA).

SELA is pressing for a massive reduction on both the principal and interest on the debt of developing countries.

The finance ministers also discussed the defunct Caricom Multilateral Clearing Facility (CMCF), with Guyana reporting on its plans [words indistinct] repay outstanding debt under the facility. The CMCF went bust in 1983 after its U.S. 100 million credit facility was exhausted.

Guyana earlier this year announced plans to repay Barbados about U.S.55 million dollars.

The nearly three hour finance ministers meeting took place prior to the official opening of the 10th Caricom Heads of Government Conference on Monday afternoon.

Antigua and Barbuda

Prime Minister Reported in 'Good Health'

FL0307182989 Bridgetown CANA in English
1648 GMT 3 Jul 89

[Text] St John's, Antigua, July 3, CANA—Antigua and Barbuda's prime minister, Vere Bird, Sr "is in good health and is expected home within the next ten days," says his son and deputy Lester Bird.

Bird was fending off local rumors that the prime minister was in poor health at a hospital somewhere in the United States following an overseas trip last month.

The acting prime minister said when Bird Sr "went abroad he did seek to deal with a problem with his mouth."

Over the last two weeks there has been growing speculation as to the health of the prime minister who went to the United States on an "official tour."

He will miss the annual summit of Caribbean Community leaders opening today in Grenada.

Concern for Destabilization of Grenada Expressed

FL3006180589 Bridgetown CANA in English
1350 GMT 30 Jun 89

[Text] St John's, Antigua, June 30, CANA—Antigua and Barbuda's deputy prime minister, Lester Bird, hopes Wednesday's slaying of the police chief and an American political attache in Grenada will not lead to destabilization in that country. Bird told the House of Representatives in a shortened session that the incident seems to be isolated and he hopes Grenadians would live in peace.

On Wednesday, assistant commissioner of police, Grafton Bascombe, on secondment from St Vincent, shot dead Grenada's Acting Police Commissioner Cosmos Raymond, political attache in the United States Embassy, John Butler, and injured two other police officers. Bascombe died shortly after of a heart attack, a government spokesman reported.

"Taking into account the tragic circumstances that have happened in that island over the last seven to eight years I'm sure we will all agree that it is our fervent hope (the incident) will not lead to destabilization and that the people of Grenada will be afforded an opportunity to live a life in peace and democracy," Bird remarked.

"We are all deeply concerned and wish the people of Grenada absolute success in the future and hope that everything will work out well for them," he added.

The shooting and problems in Grenada's ruling party have worried some of the Caribbean Community leaders who are to meet in Grenada next week. Some have recommended postponement of the meeting or a change in venue.

Judge Declares St John's Elections Invalid

FL3006202389 Bridgetown CANA in English
1814 GMT 30 Jun 89

[Text] St John's, Antigua, June 30, CANA—Antigua and Barbuda High Court Judge Justice Albert Redhead on Friday ruled that the election in the St Johns City West Constituency in Antigua's March 9 general election was invalid.

The case was the first to be heard of seven brought by unsuccessful candidates of the opposition United National Democratic Party [UNDP] challenging the poll.

Counsel for the UNDP argued that it was illegal to suspend voting on election day—for seven hours—because of a shortage of ballot papers and that the court had no power to extend voting hours in those constituencies where there were irregularities.

In a two-and-a-half-hour summation, Justice Redhead concurred with the petition of the UNDP's Donald Halstead that the absence of voting for seven of the statutory 12 hours and the extension of the hours were major irregularities.

Redhead, said Justice Horace Mitchell, who made the ruling to extend the hours on the request of the Supervisor of Elections Keithley Hill, had no power to do so.

The judge also turned down a stay of execution by the respondents of the ruling Antigua Labour Party [ALP]. The ALP's Henderson Simon won that seat that was ruled on today. Legal sources said parliament would have to decide on a date for a new election.

Guyanese lawyer Dr Fenton Ramsahoye along with local lawyer Colin Derrick appeared for Halstead.

The incumbent ALP lead by 79-year-old Vere Bird Sr swept 15 of 17 seats at stake on election day losing only one seat in Antigua and the single Barbuda seat.

The opposition had charged that the irregularities were a ploy by the Labour Party to retain power, as it had transported ALP supporters to vote early.

The ALP denied the charges saying the delays affected all candidates equally.

Labour Party Reacts

FL0407215189 Bridgetown CANA in English 2027 GMT 3 Jul 89

[Text] St John's, Antigua, July 3, CANA—The ruling Antigua Labour Party (ALP) is considering what steps to take following last Friday's high court ruling here that the result in the St John's City West Constituency in March 9 general elections was invalid, party chairman Lester Bird has said.

"The party and the government have met twice to discuss the ramifications of the court's ruling and to formulate a strategy," Bird told CANA before leaving for Grenada to attend a Caricom summit. The ALP's Henderson Simon was declared winner on election day.

Mr Justice Albert Redhead found in favour of the United National Democratic Party's [UNDPE] Donald Halstead. He said that the suspension of voting for up to seven hours and the extension of the statutory 12 polling hours to compensate, were major irregularities.

"The court has spoken and we respect the court's decision. Our lawyers would have to advise us as to how to proceed. The ultimate court is the court of the people," Bird added.

The ALP chairman said the party "will be putting its machinery in place if it has to go back to the people as soon as possible. We will have to wait for further informaiton because we do not have the written decision of the court."

"Until we have the court's decision in writing, we cannot make any comprehensive and decisive decision," the country's acting prime minister explained. He also said the court's ruling cleared the ALP of any "hanky-panky" as charged by the UNDP.

Bird said the ALP will have to consider whether the judges ruling will affect the outcome of the other six post-election petitions filed by unsuccessful members of the UNDP. Simon said that although he was not now a member of parliament, he will remain a minister until election day.

Dominican Republic

Balaguer Convenes Special Session of Congress

FL2906120089 Bonaire Trans World Radio in English 1130 GMT 29 Jun 89

[Text] From the Dominican Republic, President Joaquin Balaguer has convened a special session of congress as a result of last week's general strike. Mr Balaguer has presented several bills to raise the country's minimum wage and reform the tax laws. The bills presented to congress are belated replies to the demands of the labor unions who successfully organized the general strike. The new laws would increase income tax exemptions and increase the minimum salary by 25 percent.

Grenada

Blaize Rejects Suggestion To Move Caricom Summit

FL0107175089 Bridgetown CANA in English 1724 GMT 1 Jul 89

[Text] St George's, Grenada, July 1, CANA—Grenada's prime minister, Herbert Blaize, has blasted suggestions that the venue for next weeks Caribbean Community (Caricom) heads of government conference be shifted from St Georges and dubbed comments that security might not be intact as "false and malicious."

"Grenadians have been questioning the seriousness for togetherness of any heads who in the struggle for Caricom integration would suggest any change in the holding of the conference," he said Friday night in his weekly radio and television address to the nation.

The Grenadian leader said the days of rhetoric and platitudes should be over as Caribbean countries pressed forward with the integration.

"It is because of this thrust, this determination, this objective that I am amazed that any Caricom leader would suggest a postponement or change of venue following Wednesday's tragic incident," Blaize said.

He was referrring to the death of Police Commissioner Cosmos Raymond, and American diplomat John Butler, who were gunned down by a Vincentian police officer on loan to Grenada, Grafton Bascombe. Two other lawmen, a Barbadian and a Grenadian, were injured.

Following the incident, St Vincent and the Grenadines Prime Minister James Mitchell announced that he would be attending the July 3-7 summit as he was advised by his security people that he should avoid going to St George's because of the "prevailing circumstances and mood in the country."

Antigua and Barbuda's deputy prime minister, Lester Bird, who will head his country's delegation to the meeting, had cabled Caricom Secretary General Roderick Rainford following the shootings suggesting consultations with the heads on whether the matter would affect the summit.

Mitchell has changed his mind about the summit and goes to Grenada on Sunday to attend.

"Unity has prevailed" one delegate told CANA after hearing that Mitchell would be attending the summit, the highest decision-making body in Caricom.

Antigua and Barbuda's prime minister, Vere Bird Sr, is expected to be the lone head of government not participating in the 10th summit.

"Understanding, sympathy, a readiness to help in resolving another's problem and Caricom solidarity are ingredients made for public awareness and support for the integration movement," Blaize told the nation.

"To do otherwise would destroy confidence in our efforts," he warned.

"It is with a deep degree of annoyance that we view the suggestions made in certain quarters that we are a violent people and the security of the nation is not what it should be," Blaize said.

"The isolated incident perpetrated by a deranged individual must in no way be seen as a demonstration to undermine security. We resent that sort of accusation which is basically and fundamentally false and malicious," he said. "The tragic events of this week have left us all stunned..." he said.

"We are today a peaceful people determined to move forward in peace and freedom with a stable society," Blaize however stressed.

He said Grenadians were well aware of their contribution to "West Indian togetherness" and were determined to play their role in the regional integration process.

Grenada's deputy prime minister, Ben Jones, on Friday assured delegates attending the Caricom Council of Ministers Meeting that security was well in hand for the summit and there was peace and stability in the country.

St Lucia's deputy prime minister, George Mallet, who spoke on behalf of the ministers said the delegates were not concerned about their security or the mood in the country following Wednesday's incident.

Haiti

Soleil Situation Said Part of U.S. 'Plan'

FL3006202289 Port-au-Prince Radio Metropole in French 1045 GMT 29 Jun 89

[Excerpts] [Announcer] There is conflict within the Catholic Church's radio station. The bishops council is in open conflict with the station personnel, which is demanding dialogue with the Catholic Church authorities. Because of this conflict, Radio Soleil is no longer broadcasting normally. [passage omitted]

There have been numerous notes of reaction from associations of committed laymen or small church committees—as well as union, political, and religious organizations—expressing support for the Soleil team and protesting, (?in particular), the changes made by the bishops.

The latest statement on the matter is from the CNEH, the National Confederation of Haitian Instructors. In this statement, the CNEH, quote— warns the Catholic Church authorities against allowing a situation that is very negative for both the institution and the entire nation to deteriorate—end quote. The CNEH proposes that the two sides enter into negotiations immediately, with a view to permitting Radio Soleil to continue to carry out its mission to inform, educate, and evangelize the Haitian people.

Other reaction comes from the central plateau, and asks Monsignor Willy Romelus to state his position on this matter. Here is our correspondent in the central plateau.

[Hinche correspondent Alex Joseph] In a press release dated 26 June 1989, 40 people from Hinche who say they are part of God's people, protest the firing of Joseph Georges, alias Ti Jo, from Radio Soleil. The note continues: This crooked wheeling and dealing going on is the work of a few bishops and a couple of priests who don't want the church (?institutions) to progress. [passage omitted] Please, Monsignor Romelus, say a word on this matter for us. [passage omitted] This press release is signed by 40 young people in Hinche who are members of the Catholic Church.

Another press release with the same date and bearing 200 signatures from several youth groups and other associations in Hinche says more or less the same thing. [passage omitted] The note continues, asking the bishop of Hinche, Leonard Petion Laroche: Is it the macoutes and the bigshots who constitute God's people? Lastly, these 200 young people announce to young people all over Haiti that there will be a mobilization in the diocese of Hince next 21 July if things are not back to normal at Radio Soleil by then; and they invite all dioceses throughout Haiti to a big demonstration to be held in Hinche next 21 July. [passage omitted] This is Alex Joseph in Hinche for Radio Metropole.

[Announcer] For his part, Max Bourjolly, second secretary of the Unified Party of Haitian Communists [PUCH], points out that the normalization the bishops are attempting to effect is part of a global plan orchestrated by the United States, the Protestant Churches, and the Catholic Church hierarchy against the Haitian press. Let's listen to Mr Bourjolly.

[Begin Bourjolly recording] We must not (?restrict ourselves to the fact that) they fired the programs director, even though we do condemn the way he was fired. Instead, we must look at the matter in a more global manner. The thing is, there is an offensive being waged by the important church authorities, the U.S. Embassy, and the Protestant missions against the press. Thus, the normalization they are trying to effect at Radio Soleil, the normalization they sent Mr (Aps) to effect at Radio Lumiere, the attempts to get their hands on all the provincial radio correspondents and make them become correspondents for either the Voice of America or USIS, well, this shows that there is an overall plan with a view to their normalizing the Haitian press and making it serve American propaganda—the propaganda of the forces that are in power and that want to create the political and ideological conditions for rigged elections, so that an election like the 17 January election can be held in Haiti.

I think that this is what is really happening at Radio Soleil, and they have begun with the toughest opponent. That is, they have grabbed the bull by the horns. They are trying to dismantle Radio Soleil. Thus, they will pretty much be able to say that it's all over, so to speak, for any press organ that might say things the government or the Americans don't like.

I think that that is how we should understand this matter. This is part of an ensemble. And I think the entire Haitian press should be alerted to this matter, so that it will not see this as simply an episode concerning a Radio Soleil programs director but rather a plot against the nation, against the spirit of 7 February in Haiti. [end recording] [passage omitted]

Panpra Issues Press Release

FL3006200989 Port-au-Prince Radio Nationale in Creole 1300 GMT 29 Jun 89

[Text] A press release from the Nationalistic and Progressive Revolutionary Party of Haiti, Panpra, says that a conflict between Radio Soleil's journalists and the radio station's board of directors has existed for 3 months now. Panpra is concerned over this conflict, for it considers this problem a manifestation of a bigger crisis, which is upsetting all the nation's institutions.

For this reason, Panpra invites the Episcopal Conference of Haiti [CEH], which for the past 3 years has always preached dialogue and reconciliation, to not reject the appeal for a meeting sent it by the Radio Soleil journalists. Panpra also asks the CEH to reconsider its decision regarding programs director Joseph Georges.

Panpra has not forgotten, and will always remember, the important role Radio Soleil's team of journalists and the church hierarchy played in the battle against the Duvalier regime—a battle that continues today, despite all the vicissitudes—as well as the role they played in favor of those most poor and and in favor of respect for human rights.

This press release is from Panpra and is signed by Duly Brutus, a member of Panpra's executive secretariat.

CEH Issues More Sanctions

FL0307170389 Port-au-Prince Radio Metropole in French 1045 GMT 30 Jun 89

[Excerpts] The clouds of discord between Radio Soleil's personnel and its administration are still hovering over the radio. [passage omitted] Tension went up a notch yesterday, when the Episcopal Conference of Haiti [CEH] announced new sanctions against the protestors.

Regarding reaction following this affair, yesterday Conacom, which is the National Congress of Democratic Movements [expansion as heard], called for a compromise so as to solve the crisis in the best interests of the Haitian masses, many of whom are followers of this station.

For its part, the Lafontant Center for the Promotion of Human Rights has asked Radio Soleil's administrative committee and the CEH to sit down together around a single table in order to find an amicable, just, fair solution to which all the listeners of the voice of the Catholic Church will adhere—especially a solution in the best interests of the Catholic Church.

The situation at Radio Soleil will be the topic of a special assembly of the journalists association, to be held next 2 July on Martin Luther King Avenue. There will be a mass celebrated on that same day by a group of 60 clergymen and lay people who are in solidarity with Radio Soleil. This mass will be held in the courtyard of Saint Jean Bosco Church.

Information Ministry Again Denies Lund Reports

FL3006191689 Port-au-Prince Radio Nationale in Creole 1300 GMT 29 Jun 89

[Excerpts] We have here a press release from the Ministry of Information and Coordination. The ministry informs that in view of the persistent reports to the effect that a U.S. company has asked the Haitian Government for La Tortue Island, the Ministry of Information and Coordination (?hereby) sends us another press release, in which it again formally denies these reports. [passage omitted]

The national community is once again warned against all the vile rumors circulating in Haiti, where people (?seem to) have forgotten that there exists legislation regarding disinformation (?by) people who openly try to manipulate public opinion.

This press release is from the Directorate of Information of the Ministry of Information and Coordination.

Avril Appeals for Full Membership in Caricom

FL0107182189 Bridgetown CANA in English 1813 GMT 1 Jul 89

[Text] Port-au-Prince, Haiti, July 1, CANA—Haiti's president, General Prosper Avril, has appealed to Caribbean Community (Caricom) leaders—preparing to meet in Grenada on Monday—to admit his country to full membership in the family of Caribbean nations.

Speaking in the presidential palace after attending a population and development seminar organised with the help of the Economic Commission for Latin America and the Caribbean, the general said that Haiti was a Caribbean nation whose people, like the nationals of other countries in the region, were in the main of African descent.

"I expect that Haiti would be admitted as a full member of Caricom," he said about the possible results of the Grenada summit.

Haiti currently has observer status in Caricom but the military leader who has pledged to vacate the Presidency after free and fair elections were held and a new leader chosen said that Caricom heads of government should take effective steps to end his country's "isolation" from the rest of the region.

"Haiti is a sister republic that has ties to the people of the Caribbean, ties that cannot be erased with the passage of time," he added. "My message is also that we consider them (Caribbean countries) as brothers. Naturally, we would welcome any support that would help us attain our goals which include implanting democracy in Haiti."

General Avril, who narrowly escaped being sent into exile in April during an aborted military coup d'etat, said that Haiti's market of six million people was open to Caricom countries and he welcomed investors from the region.

As for his administration's efforts to bring democracy to the French-speaking republic, General Avril insisted that the question of free and fair elections was now in the hands of an independent elections commission which the government could not dominate because only one member of the organization was nominated by the government. The rest, he explained, were the representatives of the various political parties. The president suggested that he had taken several steps to meet the wishes of Caribbean states on the issue of human rights and included among them was the signing of several internaional conventions on human rights and the transfer of the prison system from the control of the Haitian Army to the Ministry of Justice.

The Army was regularly accused of mistreating prisoners.

The population seminar was held in Port-au-Prince with the backing of the United Nations Population Fund and General Avril said that his country needed international support to help it solve its population problems.

Government Takes Security Measures for Strike

FL0307200489 Port-au-Prince Radio Metropole in French 1045 GMT 3 Jul 89

[Excerpts] We have been talking to you for the past few days already about this strike announced for this week. We remind listeners that the drivers unions have announced a 3-day strike this week, scheduled for 4, 5, and 6 July. [passage omitted]

The government has announced measures to guarantee the security of those who would like to go about their business normally tomorrow. Buses and other vehicles will be placed at the service of the population. There will be several different circuits. [passage omitted]

CEP Members Grant Interview 28 June

FL0307162589 Port-au-Prince Radio Metropole in French 1045 GMT 29 Jun 89

[Excerpts] The electoral calendar will be ready soon. The Electoral Council is hard at work on it. This is what Pauris Jean-Baptiste, representative of the journalists association [on the Provisional/Permanent Electoral Council, CEP] announced yesterday.

Insecurity is another of the Council's concerns. Mr Jean-Baptiste said this had been discussed with the executive during a meeting.

Mr Jean-Baptiste and Mr Archange Leon, another CEP member, were interviewed yesterday [28 June]. Here is a report on this matter by our colleague Smoy Noisie.

[Noisie] The CEP has no magic wand. It has to proceed in a deliberate manner in order to be able to set in place the infrastructure necessary to hold the kind of elections desired by the majority. One of the current concerns of the CEP—which is continuing to hammer away at its tasks—is the preparation of the electoral calendar. Several organizations have already been contacted in this connection, such as the AJH [Haitian Journalists Association], the CNEH [National Confederation of Haitian Instructors], etc.

The CEP cannot work hastily because it does not want to later be accused of having organized rigged elections. [passage omitted]

[Begin Jean-Baptiste recording] We are currently studying the matter of the calendar. We will put out our calendar soon. However, as I emphasized just a moment ago, as the Permanent Electoral Council, we have to get the institution up on its feet. We have to form BED's—that is, Departmental Electoral Offices—as well as Communal Electoral Offices, in the communal sections.

Now, our problem is the communal sections. I mean, we don't have the proper road infrastructure. [passage omitted] We have to set up a really reliable, as well as viable, infrastructure. [sentence indistinct] We need viability because we are setting up a permanent institution, one which must not disappear after we're gone. And this institution must also be reliable. I mean, the people we hire must be honest people on whom one can really count. I mean, there are many people in need of a job, for we are a country with many unemployed. Anyone [words indistinct], but sometimes people are not competent, and sometimes people who are competent are not honest. We must find people who are both competent and honest, you see. Thus there are all these problems that we must take into account. [end recording]

Asked about certain candidates' desire to see elections held before the end of the year, Pauris Jean-Baptiste answers:

[Begin Jean-Baptiste recording] Certain candidates—whether to the Presidency, the Chamber of Deputies, or the Senate—think we can use a magic wand and organize elections (?quickly). And then they are going to turn right around and accuse us of having organized rigged elections, for failing to lay the foundations properly. That is why we of the CEP are taking our time. We are, of course, trying to go fast, but we are not confusing speed and haste. [end recording]

Another of the CEP's concerns is the climate of insecurity and the uneasiness of everyone who is hoping to see elections held with no violence or criminal acts. The CEP has discussed this problem with the executive. Mr Jean-Baptiste and his colleague Archange Leon, the cooperatives' CEP representative, nevertheless think insecurity could be a trap aimed at preventing the normal holding of elections in Haiti.

[Begin recording] [Jean-Baptiste] [Passage omitted] I must, in all honesty, say that the government is also concerned over this. I'm not saying this to defend the government—for we are, as you know, an independent institution. However, when we discussed the problem with the government, the president told us that it was also one of the things the government was concerned about. [passage omitted]

[Leon] Security is a hot subject, so to speak. However, we must be careful to not allow this to serve as a pretext—because this could also be a trap aimed at obstructing the electoral process. [end recording]

Radio Nationale Airs Government Warnings

FL0307171789

[Editorial Report] Port-au-Prince Radio Nationale in Creole at 1300 GMT on 3 July carries the following "spots" immediately preceding the local news portion of the 1300 GMT newscast:

"Unions should not engage in politics. There is an article in the Constitution that forbids them from doing so."

"If the police catch anyone with a 12-gauge, 16-gauge, or 20-gauge shotgun, or a Galil [rifle], the person will have to pay 10,000 gourdes and will be put in jail for 5 years."

Promotions Within Armed Forces Announced

FL3006190989 Port-au-Prince Radio Nationale in Creole 1300 GMT 29 Jun 89

[Text] In conformity with the general regulations governing the Haitian Armed Forces [FADH], the following people have been promoted:

Brigadier Generals Gerard Lacrete, FADH chief of staff, and Max Valles, FADH inspector general, have been promoted to major general, FADH.

Colonels Serge St-Eloi, assistant chief of staff, G1; Acedius St-Louis, assistant chief of staff, G2; Jean-Claude Laurenceau, assistant chief of staff, G3; and Roland Chavannes, assistant chief of staff, G4, have been promoted to brigadier general.

We point out that Brig Gen Roland Chavannes is also interim assistant chief of staff, G2. The FADH High Command is thus complete, since the general regulations provide for a lieutenant general who is the commander in chief of the FADH.

There are three [number as heard] major generals, who are the assistants of the commander in chief. Well, these men are now interim commanders in chief. [sentence as heard] These men are the FADH chief of staff and the inspector general. [sentence as heard]

There are four brigadier generals who are the assistant chiefs of staff, G1, G2, G3, and G4.

The following officers have been promoted to the rank of colonel:

Lieutenant Colonel Henri Robert Augustin, chief of the Port-au-Prince Police;

Lieutenant Colonel Michel Louis, commanding officer of the FADH Supply Center;

Lieutenant Colonel Ulysse Francois of the Presidential Guard;

Lieutenant Colonel Alix Richard Silva, the commanding officer of the Army School of Instruction;

Lieutenant Colonel Alix Rene, commanding officer of the Military Department of the South;

Lieutenant Colonel Henri Max Mayard, commanding officer of the Military Department of the North.

The following people have been made lieutenant colonels:

Major Maxon Joseph, commanding officer of the National Penitentiary;

Major Andre Neptune, Presidential Guard;

Major Ilera Merius, assistant commanding officer, Department of the West;

Major Ernst Prud'homme, duty officer, FADH general headquarters;

Major Jodel Lessage, executive officer in charge of public relations, Military Department of the Port-au-Prince Police;

Major Joseph Pierre-Antoine, commanding officer, 52d Company, Airport Security.

Promoted to the rank of major are:

Captain Michel-Ange Hermann, assistant, National Penitentiary;

Captain Jean-Robert Rene, commanding officer, 22d Company, Military District of Delmas, formerly known as Fort Dimanche.

Finally, we have learned that Colonel Renaud Mompoint has been appointed attache, personal general staff of the commander in chief of the FADH.

Reportage on Elections Held in 5 States on 2 Jul

Parties Want 'Honest Elections'

PA0107171789 Mexico City XHTV Television in Spanish 0200 GMT 1 Jul 89

[Text] National Action Party [PAN] supporters demonstrated today in front of the Angel of Independence monument. They are demanding honest elections in the five states where elections will be held on 2 July.

In the elections that will be held in the states of Baja California, Chihuahua, Michoacan, Zacatecas, and Campeche, the will of the people must prevail, no matter which party wins, PAN leader Manuel J. Clouthier said.

[Begin Clouthier recording] The people must win by electing or removing their leaders. It is not a question of who wins. [end recording]

PAN followers held a rally in front of the independence monument in Mexico City. They are demanding honest elections in Baja California and four other states where elections for governors and deputies will be held. According to Clouthier, there are still irregularities in the Baja California voter registries. The PAN supporters also want a new electoral law to be drafted that will guarantee all candidates equitable treatment in future elections. The demonstrators will remain in front of the monument until 2200 today.

The Party of the Democratic Revolution [PRD] also demonstrated at Constitution Plaza in Mexico City to demand honest elections in five Mexican states on 2 July.

Meanwhile, Jorge Mendoza Alvarez, president of the Electoral Commission, said there has been no violence prior to the elections scheduled to be held in Michoacan. He said all political parties worked with respect and honesty up to the end of their campaigns. He said a few hours before the elections that everything was normal there. This afternoon the representatives of the political parties received copies of the voter registry. Armando Lopez Contreras, a National Electoral Registry official, said that 95 percent of the voter credentials have been issued to voters. He said Michoacan voters may still obtain their credentials on Sunday if they meet all the requirements. The atmosphere is now calm in Michoacan, where voters are anxiously awaiting the Sunday elections. We hope this tranquillity lasts through election day.

Charges of Fraud Reported

PA0307035889 Paris AFP in Spanish 0247 GMT 2 Jul 89

[Text] Mexico City, 2 Jul (AFP)—The elections in five Mexican states concluded today [2 July] with reports of irregularities, but without serious incident.

The political parties have said they will announce partial elections results tonight. The official results, however, will be announced on 9 July.

Authorities have reported that today's elections, in which the governor of Baja California—a state that borders the United States—and local deputies and mayors in other states were chosen, were held in peace.

Irregularities in the elections, however, were reported in all five states, particularly Baja California, Michoacan, and Chihuahua.

In Michoacan, the center leftist Democratic Revolutionary Party (PRD) and the ruling Institutional Revolutionary Party (PRI) accused each other of having "carried" followers from other states to vote for their respective candidates for deputies.

In several places in Michoacan, where some mayor's offices have been taken over by PRD members, Army troops were deployed to prevent violence.

Luis Ortiz Pedraza, PRD candidate for deputy, told AFP in Tacambaro: "PRI leaders intimidated their opponents and perpetrated irregularities." Ortiz said if the results favor PRI it will be because "there was fraud."

In Chihuahua, the conservative National Action Party (PAN) reported that the indelible ink used to prevent voters from voting more than once was useless, because it could be easily washed off with soap and water.

In addition, in Baja California, the PRI State Committee accused PAN followers of "trying to bribe with a large sum of money" a local newspaper to publish an early election report announcing the victory of Ernesto Ruffo, PAN candidate for governor.

PAN reported that unidentified persons early in the day delivered an apocryphal communique to the newspapers saying Ruffo led PRI candidate Margarita Ortega by 4 to 2.

Abelardo Flores, PAN representative in Baja California, demanded that the electoral authorities carry out "an inquiry to the last consequences" to determine the identity of those who distributed the false communique.

In Mexico City, PRD leader Graco Ramirez said that approximately 10,000 soldiers taken from other states to Baja California to keep an eye on the elections were forced to vote, although they do not live in the state.

These are the first elections held under the current administration of President Carlos Salinas, who was sworn in last December and who has promised to improve the country's democratic life.

Gubernatorial Results Due 9 Jul

PA0307230789 Mexico City Red Nacional 13 Imevision Television in Spanish 2020 GMT 3 Jul 89

[Text] The official results of Sunday's elections in five states will not be announced until Sunday [9 July].

There is an atmosphere of peace in the state of Chihuahua after the election of 77 municipal presidents, 18 majority deputies, and 10 proportional representation deputies. Even though, so far, only partial results have been revealed by the State Electoral Commission [Comision Estatal Electoral, CES], there are indications that the PRI won a landslide victory in Chihuahua.

CES President Miguel Maldonado said that no serious incidents were reported in the state, and that the CSE is in permanent session.

Meanwhile, the opposition parties have scheduled news conferences for this afternoon to state their objections to the preliminary results that have been disclosed.

PRI general delegate [Rafael Oceguera Ramos] attributed his party's victory to the PRI's organization, effort, and mobilization. He explained that this was not an easy or comfortable victory, but part of a PRI plan to create a new party, as it pledged to President Salinas on 4 March.

The CES in Michoacan State is in recess until all the ballot boxes have been collected. The CES, citing the electoral law, said that the ballot boxes from the polling stations should be received at the latest within 24 hours in urban areas, and 72 hours in rural areas.

Once this has been done and all the necessary documents have been received, the Michoacan CES will resume its final vote count and, on Sunday 9 July, the official election results—district by district—will be disclosed.

The rival parties have announced different results based on what is known as partial information. The PRI has claimed an advantage in 10 of the 18 districts in Michoacan, while the opposition claims victory in at least 8 districts.

This afternoon the Authentic Party of the Mexican Revolution [PARM] will disclose the number of votes their candidates won, based on preliminary figures. The Democratic Revolutionary Party [PRD] will hold a news conference to state the figures they have in each district and each polling station. The National Action Party [PAN] reiterated that it will level formal complaints at the appropriate organizations if irregularities are proven.

There is expectation among residents of Michoacan over the election results, which will determine membership in the local congress.

The political climate in Baja California is peaceful and calm only hours after the elections for governor, municipal presidents, and local deputies. The official results of the election will be disclosed on Sunday as established by law.

Meanwhile, the Baja California CES is still counting votes. Of the six parties that participated in the elections, two are already claiming victory in the gubernatorial race. The PRI, without quoting figures, proclaimed the victory of Margarita Ortega Villa. The PRI says it will accept the official results announced by the CES on the established date. The PAN declared a clear and unobjectionable victory for its candidate Ernesto Ruffo. A statewide poll by a well-known local newspaper gave the PRI 48 percent of the vote, and the PAN 40 percent. This afternoon both parties will offer more detailed information.

In Campeche, peace prevailed during the election of 21 majority and 7 proportional representation deputies who will comprise the 53d legislature of the local congress. The opposition parties—both the leftwing and rightwing—have insisted on reporting irregularities, but when they are summoned to the CES, their evidence proves unfounded. Nevertheless, the true problem in Campeche has been abstentionism. Preliminary reports by the CES indicate that abstentionism was inordinately high during this election. Of 236,000 registered voters, approximately 70,000, or just 28 percent, voted. Nevertheless, this information is only preliminary, because the computation process formally concludes on Thursday. Campeche Governor Abelardo Carrillo Zavala said today that the citizens who abstained are PRI supporters, because if they wanted to vote against the PRI they would have voted for other parties.

Ruling Party Senate Advisor Trevino Murdered

PA0207022189 Hamburg DPA in Spanish 2155 GMT 1 Jul 89

[Text] Mexico City, 1 Jul (DPA)—The Mexican EXCELSIOR News Agency has reported that ruling party politician David Trevino was murdered today in a downtown Mexico City neighborhood.

Trevino, a 35-year-old advisor to the ruling Institutional Revolutionary Party's (PRI) bloc in the Senate, was left bullet-riddled by unidentified individuals who intercepted his vehicle at dawn.

According to the source, Trevino lost control of his vehicle and crashed against parked vehicles.

El Salvador

Reportage on 3 Jul Attacks by Urban Guerrillas

'Military Neighborhood' Attacked

PA0307163389 Paris AFP in Spanish 1543 GMT 3 Jul 89

[Text] San Salvador, 3 Jul (AFP)—Police sources have confirmed that a guerrilla was killed and two civilians were wounded this morning during an attack by urban guerrillas on the security post of a neighborhood inhabited by many high-ranking Salvadoran military officers in this capital.

The attack, carried out with rocket launchers and rifles, was launched at 0600 against a national police post guarding the Manuel Jose Arce neighborhood.

The military neighborhood is located near the Armed Forces general staff headquarters, in southern San Salvador.

Residents of the area told the press that a group of six urban guerrillas attacked two police checkpoints, damaging a private residence and wounding a woman and a girl.

Policemen dispatched to the scene reported that they did not sustain any casualties.

The Armed Forces Press Committee also reported today that urban guerrillas blew up at least three power lines, wounding a civilian.

San Salvador judicial authorities also reported that two people died from bullet wounds in San Salvador on Sunday night; the circumstances are under investigation.

FMLN Unit Claims Responsibility

PA0307164289 San Salvador Radio Cadena YSKL in Spanish 1602 GMT 3 Jul 89

[Text] We have a last-minute report. Our news center received a telephone call from an FMLN [Farabundo Marti National Liberation Front] spokesman, who told us that the Modesto Ramirez Urban Commando units claim responsibility for the attack carried out today at 0600 against the troops that are in charge of protecting the General Manuel Jose Arce neighborhood, known as the military neighborhood, which is located near Democracia Tower on the southern highway in San Salvador, where a guerrilla was killed.

Likewise, the Modesto Ramirez Urban commando units also claimed responsibility for the sabotages carried out in different parts of the capital within the last few hours. They said these actions are conducted within the framework of the operation called: War Against the Military Men Who Promote War in El Salvador.

Dead Officer Identified

PA0407130189 San Salvador Radio Cadena YSKL in Spanish 1207 GMT 4 Jul 89

[Text] The person killed yesterday during the harassment by urban guerrillas units of the FMLN in Manuel Jose Arce neighborhood was not a rebel. He is Lieutenant Trinidad Carlos Humberto Acosta of the Armed Forces Information Center.

It has been reported that the Army officer was traveling in his vehicle while the armed clash was taking place. Some FMLN urban guerrillas tried to steal his vehicle; he resisted, and the rebels then shot him. The rebels left an RPG-18 rocket launcher near his corpse. Lieutenant Humberto Acosta lived in Santa Tecla.

The Modesto Ramirez urban command claimed responsibility for the death of the officer and reported seizing a 9-mm gun and documents from the officer.

Supreme Court President Attacked

PA0307195689 San Salvador Radio Cadena YSU in Spanish 1800 GMT 3 Jul 89

[Report by the Armed Forces Press Committee on 3 July]

[Excerpt] An urban terrorist of the FMLN was killed this morning when guerrillas harassed National Police and security posts in Manuel Jose Arce neighborhood in the capital. The guerrilla was carrying an RPG-18 rocket launcher, which he used to partially damage a private home.

Many persons condemned this new terrorist action by the FMLN, which panicked inhabitants of the area and persons who were going to work at the time.

FMLN terrorists also machinegunned two vehicles in which Dr Mauricio Gutierrez Castro, president of the Supreme Court, and his personal bodyguards were traveling. The attack left two dead and one wounded. Those killed were identified as Serapio Antonio Maya and Violeta Eugenia Urrutia. Manuel Antonio Pacheco was taken to a downtown hospital to be treated for multiple gunshot wounds.

The extremist attack, from which the Supreme Court president escaped unscathed, was staged by the terrorists on the highway leading to La Libertad port near Miramar, Zaragoza Jurisdiction, central department of La Libertad.

In another attack yesterday, FMLN units harassed positions of the Military Detachment 2, which provides security for the 5 November Dam in Cabanas Department. There were no casualties during the terrorist action. It was reported that two primary power towers were damaged. [passage omitted]

Private Vehicles Machinegunned

PA0307151789 San Salvador TCS Television in Spanish 1215 GMT 3 Jul 89

[Text] What should have been a pleasant weekend for several Salvadoran families turned into a black Sunday when unidentified individuals machinegunned several private vehicles coming from La Libertad port.

Yesterday at 1830, suspected FMLN urban commando units posted near the 14 km marker on the road between La Libertad and San Salvador machinegunned several vehicles carrying civilians, including several women and children.

The president of the Salvadoran Supreme Court, Mauricio Gutierrez Castro, was in one of the vehicles. Gutierrez was not wounded in the attack, but one of his bodyguards, (Terapio Antonio Reyes Mata), 28, was killed. Manuel de Jesus Magana Chamul, the bodyguard of a Salvadoran industrialist, was also killed.

Also wounded were Jose Adan Zamora, who was hospitalized in a San Salvador hospital with bullet wounds. Meanwhile, it was reported that Violeta Posada died from the wounds she received in the machinegun attack.

Civilian sources reported that more than six people may have been killed and an unknown number of people were wounded in this attack, which took place a few meters from a Black Christ shrine on this road, which witnessed an escalation of the violence in El Salvador.

182 Casualties, 3 Damaged Aircraft Reported

PA0507011489 (Clandestine) Radio Venceremos in Spanish to El Salvador 0015 GMT 5 Jul 89

[Text] This is a preliminary estimate of casualties inflicted on 4 July: 182 in all, including Salvadoran Armed Forces officers, noncommissioned officer, and troops. These 182 casualties were sustained along all four battlefronts because all our forces took part in today's military maneuvers. We captured a significant amount of weapons today from the Salvadoran Army. Attention: During antiaircraft operations, we damaged two helicopters and one C-47 airplane. Thanks to our sabotage efforts, most of the country has been affected by our sabotage of eight strategic [electrical power] lines.

Here is our report in detail: At 0100 on 4 July, we attacked the Bracamonte Battalion in La Laguna, Chalatenango Department. The clashes lasted throughout the early morning. At 0645, the Air Force appeared and antiaircraft battles took place, resulting in two damaged helicopters. One was a helicopter gunship and the other was a transport helicopter. At 0900, at La Laguna—at a place known as Cuatro Pinos—antiaircraft units fired on and hit a C-47 airplane. Our antiaircraft comrade fighters told us that when the aircraft was hit, part of it broke off.

The final results of our successful battles with the Bracamonte Battalion are 14 dead and 23 injured, making a total of 37 casualties. Among those casualties is Sergeant Gerardo Antonio Romero of the Bracamonte Battalion's 3d Company, and a dead corporal. From the Bracamonte Battalion, we captured one M-70 machinegun, one M-16 rifle, one M-79 rocket launcher, two military communication radios, two U.S.-made Claymore mines, knapsacks, and lots of ammunition.

COPREFA Reports Destruction of 2 Rebel Camps

PA0407031189 San Salvador Radio Cadena YSKL in Spanish 1200 GMT 3 Jul 89

[Text] Four subversives killed, the destruction of two camps, and the seizure of a large amount of war materiel has been reported by COPREFA [Armed Forces Press Committee]. The COPREFA report says that the extremists were killed in skirmishes with troops of the Oromontique Battalion of the 6th Infantry Brigade in the area of El Taburete Hill, in the town of Tecapan, Usulutan Department.

The report says that the Army dismantled an improvised camp that the subversives had set up to house about 50 FMLN rebels. Inside the camp, the Army seized 4 high-caliber rifles, 650 cartridges, 17 cartridge belts, 6 complete field kits with accompanying belts, 2 two-way radios capable of receiving 48 channels, and a large amount of material for making explosives.

Another camp was dismantled by troops of the Canas Battalion, 5th Infantry Brigade, after a combing operation near El Callado, Santa Clara. The troops seized four contact mines, olive-drab uniforms, and a large amount of explosive material.

Party Leaders Refuse To Join Dialogue Group

PSD's Roldan Declines

PA3006200589 San Salvador Radio Cadena YSU in Spanish 1645 GMT 29 Jun 89

[Report by David Marciano Rivas]

[Text] A while ago, Social Democratic Party, PSD, Secretary General Mario Reni Roldan declined the invitation to participate in President Alfredo Cristiani's government dialogue commission.

As we all know, David Escobar, representing President Cristiani, Armando Calderon Sol, Julio Adolfo Rey Prendes, and Francisco Jose Guerrero have already agreed to participate in the dialogue commission. The participation of (Pablo Mauricio Alvergue) of the Christian Democratic Party [PDC] is still uncertain.

Roldan's confirmation of his decision not to participate in the dialogue commission was announced a while ago at the headquarters of the PSD—a member party of the Democratic Convergence [CD]. A PSD spokesman gave us details on Roldan's decision:

[Begin unidentified PSD spokesman recording] In light of the fact that PSD Secretary General Mario Reni Roldan was asked to be a member of the dialogue commission announced by Alfredo Cristiani on 1 June, the PSD, a member of the CD, wishes to make the following statements:
1. The formation of a dialogue commission appointed by the Executive Branch can be a positive step toward finding a solution to a war that is bleeding our country.
2. To increase the possibilities of success of that dialogue, we believe the various groups in the country must be widely represented in the dialogue commission.
3. Political parties must play an important role in the search for peace. The interpartisan works carried out in September 1987 and February 1989 taught us some very positive lessons.
4. The PSD supports the decision of Mario Reni Roldan, PSD secretary general and CD coordinator, to decline the presidential invitation to participate in the dialogue commission, because he cannot disconnect himself from the organizations he leads and accept the presidential appointment on a personal basis. [end recording]

That was the information provided by a PSD spokesman a while ago. In that way, it was officially announced that PSD Secretary General Mario Reni Roldan, whom President Cristiani invited to participate in the dialogue commission, declined the presidential invitation.

The PDC will probably announce its position regarding its participation in the dialogue commission very soon. The PDC's (Pablo Mauricio Albergue) has been invited to participate in that dialogue commission.

PDC Leader Refuses

PA0107044389 San Salvador Radio Cadena Sonora in Spanish 1700 GMT 29 Jun 89

[Report by Alexis Diaz]

[Excerpt] PDC leader Dr Pablo Mauricio Alvergue said today that he will not participate in the peace commission formed by Salvadoran President Alfredo Cristiani to facilitate holding direct talks with the Farabundo Marti National Liberation Front [FMLN]. Alvergue said that after the PDC considered the invitation issued by Cristiani to Dr Alvergue asking him to participate in the dialogue commission with the FMLN, it decided not to participate because of a lack of conditions that would lead to favorable results.

The PDC believes that from the very beginning the guerrillas have rejected the formation of the commission and therefore are likely to create even greater problems for the government. Also, relations between the government and the PDC are not very good, which does not contribute to an effective dialogue among opposing forces.

Dr Pablo Mauricio Alvergue met with President Cristiani on 24 June to discuss his refusal to participate in the commission. The political leader said that a number of unfavorable conditions led him to reject the invitation.

[Begin recording] [Alvergue] There are a number of issues which led us to believe that we should not participate in the peace commission at this time when... [25-second break in reception] However, he [Cristiani] insisted that this was a national effort and that he did not want participation to be limited exclusively to the government. Therefore, he wanted us to participate in the commission, despite the unfavorable circumstances. I told him that we were very interested in reaching peace, but that we believed that the commission was not the only road to peace. We told him that there were other possibilities and options and that we intended to seek alternate ways to create conditions that are likely to lead to a solution.

[Reporter] [Words indistinct]

[Alvergue] Well, we believe that the FMLN's attitude right now is quite negative toward the commission. I believe that steps should be taken to create more favorable conditions. Various organizations are interested in achieving this objective. We must make a concerted effort with other organizations, such as the Catholic Church, which has been left out of the peace process by the new government. There is also the National Debate for Peace committee, another organization working to find a solution. We believe that combining some of these initiatives would lead to more favorable results.

[Reporter] [Words indistinct]

[Alvergue] No, we are not going to regard the peace efforts as limited to the government commission. We believe that the commission will not be very successful if they want to limit the peace efforts in this way. Therefore, we believe that peace and the government commission do not necessarily have to be considered together. [end recording] [passage omitted]

Leftists Groups Blocking U.S. Aid to Country

PA0207223289 San Salvador LA PRENSA GRAFICA in Spanish 30 Jun 89 p 7

[Editorial: "U.S. Aid To the Country Must Not Be Curtailed"]

[Text] Left-wingers in the United States, identifying with the FMLN [Farabundo Marti National Liberation Front] and their front organizations, periodically and persistently use all sorts of strategies to reduce or cut U.S. economic aid to El Salvador.

The adversaries of our democratic process believe that human rights violations prevail and that no progress is being made in negotiations to solve the country's political conflict. Some U.S. senators and congressmen support these beliefs; however, most U.S. Congressmen and Executive Branch officials have accurate information on what is really happening in our country. It is obvious that the disinformation orchestrated against El Salvador, and continuously disseminated by important U.S. media, has distorted U.S. public opinion with regard to our situation. The U.S. citizens have yet to see the democratic changes that have been made in our country, and the extraordinary efforts of the Salvadoran people who, even by bloody sacrifice, are trying to consolidate an incipient democracy that moves gradually toward perfection.

The exaggerated and continous charges of alleged human rights violations by the Armed Forces are deeply rooted in the minds of some U.S. citizens who have fallen prey to the insidious propaganda disseminated by the leftist movements. However, nothing is said of the atrocities that FMLN subversives commit against the helpless Salvadoran people; against women and children. Not a single word is said about the tremendous destruction of state and private property in detriment to the community's basic services; these incidents have aggravated the critical conditions of poverty in our country. The disinformation that affects certain ill-intentioned or well-intentioned groups should not be cause to alter U.S. aid, which is necessary to accomplish the democratic changes that have already begun in the country.

MNR Condemns 'Threats' Against CD Leaders

PA3006230889 San Salvador EL MUNDO in Spanish 28 Jun 89 p 2

["Text" of communique issued by the National Revolutionary Movement (MNR) in San Salvador—date not given]

[Text] The National Revolutionary Movement (MNR) condemns the threats made through the press against Democratic Convergence [CD] leaders Dr Guillermo Ungo and Dr Ruben Zamora by a group calling itself the "ghostbusters." ["caza fantasmas"]

In a communique appearing on page 7 of the 26 June edition of EL MUNDO, the "ghostbusters" defend and vindicate ARENA [Nationalist Republican Alliance] and make veiled threats against CD leaders' lives.

This action, which could be an attempt by ARENA to defend itself, worries us and leads us to believe that the activities of right-wing organizations—whose existence the government does not wish to acknowledge—are being encouraged.

Therefore , we hold the president of the republic and his High Command accountable for any attack against companeros Guillermo Ungo, Ruben Zamora, and CD sympathizers and members.

COPREFA Issues Order on Command Changes

PA0307131089 Paris AFP in Spanish 1746 GMT 2 Jul 89

[Text] San Salvador, 2 Jul (AFP)—Today, the Salvadoran Army, which has been fighting leftist guerrillas for the past 9 years, issued a general order announcing command changes for the month of July. This order only includes mid-level command transfers.

COPREFA reported that Colonel Lisandro Zepeda was appointed National Fire Department director replacing Colonel Roberto Armando Rivera, who was assassinated by commandos of the Farabundo Marti National Liberation Front (FMLN).

COPREFA Director Colonel Galileo Torres was replaced by Major Mauricio de Jesus Chavez, and the new commander of the elite "Ramon Belloso" Battalion will be Colonel Orlando Carranza.

Colonel Julio Agustin Trujillo will be the new commander of the Army's Territorial Service, in charge of directing the Civil Defense (paramilitary groups), and Colonel Jose Rodolfo Avendano will be the deputy commander of the Treasury Police in San Salvador.

* Paper on Ruben Zamora's Political Background

32480166 San Salvador SEMANA in Spanish 7 Jun 89 p 11

[Article by Obdulio Moran Moran]

[Text] During his days as a university student, primarily because of the Christian commitment he had learned from his family, Dr Ruben Ignacio Zamora began his political career.

His first political lesson, as he tells it, was taught to him by the National Guard when he was persecuted for working to form credit cooperatives in his native city. He did not cease pursuing this selfless task, but his doubts increased as he wondered why this security force was harassing him.

The attorney recalls that during the 1960s, he was concerned about the ambiguity of the persecution. He says that he was naive enough to go to the Office of the Commander of the National Guard to explain that they were not communists, but on the contrary were a group of Catholics, and that that was the best way to combat communism.

His explanation was misunderstood, as the National Guard considered any kind of organization subversive, says Dr Zamora. This led him to the conclusion that the problem was not just one of poverty, but also a political one, derived from an ambition for power.

Dr Ruben Ignacio Zamora was born on 9 November 1942, in Cojutepeque in the department of Cuscatlan. He was the son of Gregorio Zamora and Lidia Rivas de Zamora in a middle-class family of Christian principles.

He attended primary school at the Luis Pastor Argueta School, later entering the San Jose de la Montana School. There he completed part of his secondary education, finishing up his preparation for bachelor degree studies at the Walter Deininger National Institute in Cojutepeque.

When he entered the university, he joined the Social Christian student movements where his participation was more direct and his political ideas were developed further. Afterwards he joined the Christian Democratic Party (PDC).

He graduated from the University of El Salvador with a law degree and then entered the University of Essex in Great Britain where he earned a master's degree in political science. He later received a doctorate in the same field.

His avocation of service to mankind prompted his fellow students to elect him leader of the law students. Later on, he became a member of the Board of Directors of the School of Jurisprudence and Social Sciences, and finally he served as vice president of the General Association of Salvadoran University Students (AGEUS).

His integrity and his devoted actions alongside the people led him to the decision to leave the Christian Democratic Party in 1980. He felt that the political leadership had become "turncoats," placing themselves at the service of the United States and the Armed Forces High Command.

Previously, Zamora Rivas maintains, the PDC had been close to the popular movement, defending its just causes in the National Opposition Union (UNO) and later in the Popular Forum. But Social Christian principles were cast aside in an attitude he calls "high treason."

He says that the PDC did not care about the work that had been done in the 1960's and 1970's. Seven of the thirteen members of the PDC leadership resigned, claiming that they could not hold public office, as that would mean participating in a government that served others and abandoned the popular sectors. The Social Christian People's Movement (MPSC) was founded, and Zamora is currently secretary general of that organization.

He is married to Maria Ester Chamorro de Zamora with whom he has several children ranging in age from 4 to 18.

Among the offices he has held are minister of the presidency, member of the San Salvador City Council, and full-time professor and instructor at the UES [University of El Salvador] school of law for many years. He lost the latter position while he was being detained in the dungeons of the National Police.

The death of his brother Mario Zamora Rivas was very painful to him. It also had a political impact on him because he was working to get the PDC out of government when he learned that he was being used for antipopular purposes, and that one of the greatest repressions in the country's modern history was being carried out.

Also, his brother's death reminded him of the many people, mothers and siblings, for example, who had lost their relatives and had no way of knowing for certain whether they had been murdered. He wondered what kind of pain those people must be experiencing, as he, at least, was able to see his brother's body.

Ministry, Vice Ministry Reportedly Abolished

PA0307001189 San Salvador LA PRENSA GRAFICA in Spanish 28 Jun 89 pp 2, 33

[Excerpts] Deputy Education Minister Cecilia Gallardo de Cano has announced that the Culture and Communications Ministry and the Vice Ministry of Literacy [Vice Ministerio de Alfabetizacion] have been abolished "to avoid duplication of efforts and bureaucracy."

From now on, the Information Secretariat of the Presidency will assume the communications duties of the Culture and Communications Ministry and the Education Ministry will take over the cultural duties.

Mrs Gallardo de Cano noted that the decision to abolish the two institutions was made at the highest level. The deputy minister also said that the previous administration created the Vice Ministry of Literacy and Adult Education and other institutions for political, rather than technical reasons. [passage omitted]

The deputy minister said that the abolition of the Vice Ministry of Literacy and Adult Education does not downplay the importance that literacy must have in the country. Also, Gallardo Cano stated that the decision is simply "aimed at returning to the Adult Education General Directorate the authority and control to which it is entitled" as the institution directly responsible for the literacy programs.

"If the literacy programs have in some way been successful, it is because of the willingness of the employees and volunteers, since at management level nothing important was done," Gallardo Cano said. [passage omitted]

Guatemala

Cerezo Speaks at Army Day Celebrations

PA0107030489 Hamburg DPA in Spanish 2105 GMT 30 Jun 89

[Text] Guatemala City, 30 Jun (DPA)—The Guatemalan Army is a professional army devoted to its inherent duties and supportive of the efforts to improve and strengthen the institution. Defense Minister General Hector Gramajo said this today during Army Day celebrations.

Referring to past incidents, he added that the Army is presently dedicated to its inherent duties and responsibilities and the preparation of future officers. Politicians should now fight their own battles and not involve the Army, he said.

Gramajo reiterated that the Army cooperates with the government of President Vinicio Cerezo in the tasks of national development and progress.

Speaking after the military parade on Army Day, President Cerezo Arevalo said in his speech to the Army that he recognized in this institution the security and stability that has permitted the government to carry out economic and social programs for the people's benefit.

In Guatemala, 30 June is celebrated as Army Day, remembering the same date in 1871 when the so-called liberal reformer General Justo Rufino Barrios carried out a revolution that brought to Guatemala benefits in politics, culture, education, and social organization, thus transforming the entire society.

Police Dislodge Teachers From National Palace

PA0407210289 Panama City ACAN in Spanish 0147 GMT 4 Jul 89

[Text] Guatemala City, 3 Jul (ACAN-EFE)—A serious incident occurred tonight outside the Guatemalan National Palace when an antiriot police unit forcibly removed a group of teachers who refused to leave a building they had occupied. The teachers were demanding wage increases.

The clash between the police and teachers began when policemen began removing 41 teachers, an action that was opposed by teachers outside the building. This prompted the policemen to use their batons against the teachers who were on "constant watch" outside.

According to radio reports, a girl had to be treated by the Red Cross after she was hit in the head by a policeman who attacked her mother.

Police surrounded the National Palace this afternoon after teachers affiliated with the National Teachers Assembly [ANM] refused to leave the building they had occupied and demanded a meeting with Education Minister Ricardo Gomez.

Antiriot policemen were posted at the side doors, while some 300 teachers watched from a distance to prevent the arrest of their fellow teachers. Teacher leaders issued a press communique in which they stated that the action "was aimed at seeking mechanisms to solve the teacher-government conflict."

According to official sources, Minister Gomez was not in his office at the time teachers entered the building, and he did not show up all day.

The teachers, who began the 4th week of their strike on Monday, have hardened their position. In addition to the action at the National Palace, other groups began blocking traffic in the downtown area.

President Vinicio Cerezo's government has said that an increase of over $70 demanded by the 42,000 teachers is unacceptable because it would worsen inflation and hurt other parts of society, "mainly the workers and peasants."

Delegates to National Dialogue Groups Chosen

PA0207235689 Guatemala City PRENSA LIBRE in Spanish 29 Jun 89 p 19

[Text] The National Reconciliation Commission [CNR] has reported that the government has appointed its delegates and alternates to the National Dialogue work commissions.

The note states that Economy Minister Oscar Humberto Pineda Robles was appointed general coordinator and Edgar Pape was appointed special coordinator.

The same source reports that Roberto Quintana de Leon was appointed to the fiscal and budget commission; Guillermo Salazar to the development and production incentive commission; Mirna Ponce de Samayoa to the social assistance and welfare commission; and Ileana Acuna to the human rights commission.

The note adds that Angel Flores was appointed to the working relations commission; Dr Carlos Enrique Soto to the health commission; and Oscar Castaneda to the commission that will represent groups that have been strongly affected by violence. Castaneda's main task will be to handle all reports and matters related to widows and orphans.

The report adds that Carlos Rene Escobar, second deputy public education minister, was appointed coordinator of the education commission. Jose Guillermo Morales Silva, first deputy public education minister;

Ruben Homero Jerez, general director of education; and Evelyn Amado de Segura, USIPE [expansion unknown] director, have also been appointed to the education commission.

The positions of alternates will be filled by Alfonso Sierra Samayoa, Julio Cesar Munoz, and Hector Santos. Gloria Tujab and Violeta de Carpio were appointed alternates to the education, environment, and natural resources commission. In addition, Oswaldo Mendez was appointed alternate to the development and production incentive commission, the document concludes.

CACIF Disputes Government Growth Statistics

PA0107014189 Guatemala City PRENSA LIBRE in Spanish 29 Jun 89 p 7

[Text] A press bulletin issued by the Coordinating Committee of Farming, Commercial, Industrial, and Financial Associations [CACIF] says there has been no economic growth and that this is why CACIF is concerned about the handling and manipulation of economic indicators by the Finance Ministry.

Finance Minister Dr Rodolfo Paiz Andrade has repeatedly stated that the country's economic prospects are good and that the policies adopted are healthy, CACIF says.

It was reported CACIF will make an in-depth analysis next week on the relationship between population growth and the GNP which, according to the private sector, do not go hand in hand as reported.

The CACIF says the GNP has undergone the following increases: 0 percent in 1986, 2.1 percent in 1987, and 3.1 percent in 1988, yielding a 5.2-percent increase during the current government.

Meanwhile, CACIF says the population has grown at an annual rate of 3.2 percent, a 9.6-percent increase for the 3-year period, resulting in a 4.4-percent economic growth deficit.

According to CACIF, if this situation is not corrected, the result will be increased unemployment and other negative aspects to the country's development. CACIF is closely linked to the country's economy.

CACIF said the country's poverty has increased and that it is therefore unlikely that future generations can overcome the inherited burden. The quality of life is at the 1972 level; in other words, it has regressed 17 years.

CACIF added that price increases of certain products such as wheat, which has already risen, will have a direct effect on the economy, worsened by pressures on the quetzal-to-dollar exchange rate.

The government's bad policies distort and create illusions about the country's reality. Excessively regulating the economy and not approving the laws that would effectively boost the economy prevent development and discourage investments, CACIF said.

CACIF added that the government has not reduced inflationary pressures, as proved by the fact that in 1987 the rate was 9.33 percent; in 1988, it was 12.3 percent; and up to 26 May 1989, it was 14.77 percent, according to the National Statistics Institute.

* Electric Power Production Threatened

32480157b Guatemala City EL GRAFICO in Spanish 25 May 89 p 11

[Text] Deputy Miguel Angel Montepeque Contreras of the MAS [Social Action Movement] has warned congress of the imminent danger that the Santa Rosa department and other regions of Guatemala may be left without electricity, as the Rio Los Esclavos Hydroelectric Power Plant is seriously threatened by the decline in its water flow.

The representative, accompanied by the mayor of the town of Casillas, Enrique Batres Rojas, said that the problem stems from excessive cutting of trees in the northern part of Santa Rosa department.

The deputy and mayor also said that the entire regional economy could suffer, as the local economy is based on livestock breeding and agriculture, and a reduction in woodlands will have an impact on the shortage of rainfall.

"It appears that the officials of Santa Rosa department and the people of Santa Rosa have not truly grasped the magnitude of the problem and the irreparable damage that is going on. Everyone seems indifferent to this situation," said Montepeque.

"It isn't right that a small group of Digebos [General Directorate of Forests] employees, people who are not even from the region, because of their incompetence and who knows for what other reasons, are allowing such widespread destruction of our trees," the mayor of Casillas said.

As an example, they reported that in the village of El Pinalito, large amounts of wood have been cut down.

Nicaragua

Government Note Condemns U.S. 'Covert' Aid

PA0407033589 Managua BARRICADA in Spanish 1 Jul 89 p 4

[Text] Yesterday, the revolutionary government protested strongly the U.S. Congressional discussion that resulted in the approval of "covert aid" through the CIA "for the elections in Nicaragua."

A note from Acting Foreign Minister Victor Hugo Tinoco to the U.S. Secretary of State also condemns the U.S. Congressional discussion of the best way to intervene and destabilize the Nicaraguan election process, "whose honesty and freedom will be ascertained by international organizations whose technical capability and neutrality is well known, such as the United Nations, the OAS, and other observers like the European Parliament," the note adds.

Tinoco emphasizes that the United States does not even allow electoral donations from abroad, yet in Nicaragua these donations are channeled through the Fund for Democracy, which is managed by the Supreme Electoral Council.

The United States should abide by the International Court of Justice ruling and definitely stop its actions, which violate the norms for peaceful coexistence, and compensate Nicaragua for the damage caused by that illegal conduct—instead of discussing and approving actions that violate international laws, the note adds.

Likewise, the note recalls the criminal toll that the actions of the CIA (which channels the covert aid) have taken on the Nicaraguan people, particularly after the bipartisan consensus in March. The note reasserts the revolutionary government's "decision to act strongly and not allow any kind of internationalist actions against the election process."

Facts, the note adds, "continue to confirm that the U.S. policy toward Nicaragua violates international juridical norms and represents the main obstacle that precludes achievement of a firm and lasting peace in Central America."

Government Says El Salvador 'Hampering' Summit

PA0407195489 Panama City ACAN in Spanish 0056 GMT 4 Jul 89

[Text] Managua, 3 Jul (ACAN-EFE)—Today, the Nicaraguan Government sent a note to the Salvadoran Government protesting the fact that two Nicaraguan Government boats and their crews which were seized over 1 month ago while fishing in Nicaraguan waters have not been returned yet.

At the same time, the Nicaraguan Foreign Ministry warned that the detention of the two boats and the Salvadoran accusations against Nicaragua that it supplies weapons to the Salvadoran guerrillas are aimed at hampering the summit of Central American presidents. The summit is scheduled to take place in Honduras from 5 to 7 August.

The Managua government categorically rejected any allegation concerning arms trafficking to El Salvador, stating that those "crass efforts" are aimed at "implicating Nicaragua in such actions."

According to the Foreign Ministry in Managua, the two boats were engaged in fishing activities and, at the time of their detention, 3,000 lbs (1,363 kg) of shrimp were found on board.

The Nicaraguan Foreign Ministry said that the incident occurred on 1 June, when the Salvadoran Coast Guard stopped the boats "4 de Mayo" and "Pancasan" while fishing in Nicaraguan territorial waters.

The Nicaraguan Foreign Ministry deplored the "discrediting campaign" organized by the Salvadoran Government against Nicaragua and said that this does not contribute to a favorable climate for the presidential summit.

Defector Says Cubans Trained To Fight People

PA0407042589 Managua LA PRENSA in Spanish 1 Jul 89 p 9

[Text] Silvio Alfonso Gonzalez, the Cuban doctor who defected on 13 June, has stated in Costa Rica that all Cubans who are in Nicaragua have express orders from Fidel Castro to fight the Nicaraguan people to defend the Sandinist regime and that, because of these orders, even diplomatic personnel are constantly receiving military training.

Gonzalez spent the past 6 weeks in a Jinotepe hospital where he planned his escape to Costa Rica. He left Jinotepe on 12 June, claiming that he was sick, and reached the border where Sandinist policemen, no less, helped him cross over to the Costa Rican side. The Cuban doctor said that he had visited Nicaragua before, in the early years of the FSLN takeover. He was then sent to Cuba and returned to Managua a few months ago.

Gonzalez said that there is no comparison between the Nicaragua of 1980 and the present one. In his first visit, Nicaraguans were very lively, despite the war that they had just fought against the Somoza dictatorship. Now, he noted, there is a marked contrast and a social cataclysm can be predicted.

In anticipation of this cataclysm, Gonzalez added, Cubans residing in Nicaragua are receiving constant training from Cuban officers because, according to Gonzalez, Nicaraguan officials do not trust the loyalty of the EPS [Sandinist People's Army] or Interior Ministry soldiers. They view these soldiers as potential deserters or traitors.

Dr Gonzalez' remarks were rebroadcast early today by Miami's "La Cubanisima" radio station. "Fidel," the doctor said, has ordered us to defend the Managua government "to the last consequences" because he does not want another Grenada defeat.

Referring to Nicaragua's political situation, Gonzalez said that 60 to 70 percent of the Nicaraguan people oppose the Sandinists. He further stated that his experience tells him that the social situation could explode at any moment. He said: "The Sandinists are aware of this and have been promoting more training and preparation for riot brigades, which are under the responsibility of Cuban officers. Some of these brigades remain at the Cuban Embassy in Managua.

Gonzalez also said that Nicaragua is going through chaos. Of every 100 patients, 70 will not be treated at the country's hospitals. He added that the crisis is decimating as many children as a war would.

Ortega To Leave for Menem Inauguration 7 Jul

PA0407003689 Panama City ACAN in Spanish 0002 GMT 4 Jul 89

[Text] Managua, 3 Jul (ACAN-EFE)—Nicaraguan President Daniel Ortega announced in Managua today that he will leave for Argentina on 7 July to attend Carlos Menem's presidential inauguration in Argentina. Ortega told the Nicaraguan state-owned "La Primerisima" radio station that he will leave for Buenos Aires to attend Menem's 8 July inauguration. According to the radio station, the Nicaraguan leader will take advantage of his stay in Buenos Aires to meet with heads of state and political leaders of this hemisphere.

Ortega Presents Property Titles to Tenants

PA0407030789 Managua Radio Sandino in Spanish 1200 GMT 3 Jul 89

[Excerpts] On Sunday, Nicaraguan President Daniel Ortega distributed 240 property titles to residents of the Centro America neighborhood, on the 25th anniversary of the establishment of the neighborhood. Among those who received property titles are mothers and relatives of heroes and martyrs who had been paying rent on those houses for over 20 years. [passage omitted]

President Daniel Ortega reiterated that the state will compensate the owners for the value of the houses that they had been renting to mothers of heroes and martyrs. We will recognize the value of those houses, the president said. At the same time, he reaffirmed the government's efforts to guarantee homes to the dispossessed. We cannot allow the mothers of heroes and martyrs to be evicted from their homes, the president said.

[Begin recording] We have tried to provide help to the poorest people by giving them a little parcel of land in the settlements here in Managua, so that they can build their simple homes. They have become owners of a piece of land and that gives them security.

We are now making an effort to see that those who live in these neighborhoods, in Centro America and others...[changes thought] We have talked with the mayor of Managua, Comrade Carlos Carrion, so that he can begin working, and after 19 July, we will be able to give property titles to the residents of other neighborhoods and districts—middle class sectors like El Dorado and Bello Horizonte—where there are a number of people who have been paying rent on houses for years and are still not the owners.

We will continue this policy to see what can be done. We would like to build more housing units than we have built so far, to give them to workers—teachers, health workers, and so forth—but so far, we have built a few houses here in Managua and some in rural areas for farm workers. We would like to build houses in the coffee-producing areas, for example, to give a minimum standard of living to those who are producing in rural areas. We will be able to implement these programs to a greater degree when the country has more resources. In other words, when the country has more resources, there will be more housing programs, because that is the revolutionary government's intent. [end recording]

Leader of Political Prisoners Movement Arrested

PA0107042889 Managua Radio Corporacion in Spanish 2300 GMT 30 Jun 89

[Excerpts] Jorge Francisco Rios Lopez, secretary general of the Movement of Former Nicaraguan Political Prisoners [Movimiento de Ex-prisioneros Politicos de Nicaragua], was arrested today by state security agents, who also searched his house. [passage omitted]

[Begin recording] [Attorney Gustavo Garcia] The state security authorities argue that Jorge Rios had illegal documents that plot against the country's public order. However, the state security charges are false. Everyone is aware, including the state security authorities and the Nicaraguan president, that there is a movement of former political prisoners that requests aid because of their difficult economic situation. The organization makes petitions and issues statements in favor of this movement, which are not documents that plot against public order. The movement's actions aim at helping the organization and the movement.

[Reporter] This means Rios is being charged with plotting against state security and order?

[Garcia] Yes.

[Reporter] What do you plan to do to help this prisoner?

[Garcia] We are going to wait. There are legal proceedings established in Nicaragua for penal cases, especially for these kinds of cases. We must wait. We will continue with the legal proceedings in light of these slanderous charges by state security. [passage omitted] [end recording]

We have a last-minute report. A former National Guardsman who was released on Good Friday this year through a National Assembly amnesty was also jailed today at 0800 at his home in Johnathan Gonzalez

neighborhood. Bernabe Solis Zapata was arrested this morning by two soldiers and two civilians and was transported in a state security vehicle with license plate no 2352. The soldiers notified Solis Zapata that he had to go to state security house no 50 for interrogation. Solis Zapata and Jorge Francisco Rios, secretary general of the Movement of Former Nicaraguan Political Prisoners, were handcuffed when they were arrested this morning.

Mexico, Venezuela Suspend Oil Shipments

PA0207024789 Hamburg DPA in Spanish 0458 GMT 1 Jul 89

[Text] Cancun, Mexico, 30 Jun (DPA)—Mexico and Venezuela will not renew their shipments of oil to Nicaragua until Managua either pays or renegotiates its oil debt with these two countries. This debt amounts to $1 billion.

The announcement was made today by the energy ministers of Venezuela and Mexico, Celestino Armas and Fernando Hiriart, respectively, at the conclusion of an informal meeting of oil ministers from oil-exporting countries of Latin America and the Caribbean. The meeting took place in the Mexican tourist resort of Cancun.

The meeting was also attended by the energy ministers of Colombia and Trinidad and Tobago, Oscar Mejia Vallejo and Hubert Athel, respectively. Ecuador, another member of the group, did not send a representative. These five countries produce 10 percent of the world's oil exports. Hiriart said at a joint news conference that Nicaragua owes Mexico $500 million for oil it imported over the past few years in the framework of the Mexican-Venezuelan San Jose Agreement. He said that, so far, Managua has not renegotiated this debt as have other Central American and Caribbean countries and for this reason "we are not able to renew oil supplies" to that country.

On the same issue, Armas said that Nicaragua owes Venezuela a similar amount and "this makes the renewal of oil supplies impossible." The agreement through which 12 countries of the region receive oil under preferential financial terms will probably be ratified during the visit that Mexican President Carlos Salinas will make to Caracas soon, Hiriart and Armas said.

At the news conference, Colombian Mines and Energy Minister Mejia Vallejo did not hide his disgust over the interest that Mexican journalists demonstrated in the Colombian guerrilla demands that the Bogota Government nationalize the Colombian oil industry. Mejia Vallejo said that nationalizations do not form part of his government's philosophy and that the guerrilla groups operating in his country want to destabilize the Colombian production system. He noted that guerrilla sabotage activities have hurt the nation's patrimony rather than oil-exploiting foreign enterprises.

The meeting concluded with a joint communique in which the four ministers express their satisfaction with the recovery of international oil prices during the first half of the year and reiterate that the stability of the market depends on OPEC and independent oil producers respecting export limits.

CSE President on 'Successful' European Trip

PA3006193789 Managua Radio Sandino in Spanish 1200 GMT 30 Jun 89

[Text] Mariano Fiallos Oyanguren, president of the Supreme Electoral Tribunal [CSE], was well received during his visit to several European countries. Upon arrival at Sandino airport last night, Fiallos Oyanguren said one of the objectives of the tour was to make known the CSE's determination to hold honest, fair, and democratic elections in February, the results of which will be based on the will expressed by the Nicaraguan people. He said the U.S. Government and some local opposition parties are carrying out a campaign to discredit the Nicaraguan elections. Fiallos Oyanguren said another objective of the visit was to make Nicaragua's economic situation known to European countries that are interested in the Central American peace process and democracy in the country. The importing of electoral material would have a big affect on the country, he said.

Fiallos Oyanguren said his European trip was successful. He said that the European countries received details of a $10 million plan that includes nine projects for the February elections.

[Begin Fiallos recording] We presented to the various governments nine projects ranging from the registration of voters to the future creation of a permanent voter registry and a process to issue identification cards. They also include the funds and materials that have to be supplied to the political parties for their campaign. These projects were well received by the countries we visited. We received positive responses, although no specific commitments from Sweden, Norway, Denmark, Finland, Spain, France, and the FRG. An idea that emerged during this visit was that aid should be coordinated among the various countries who provide assistance so that the aid is not duplicated. [end recording]

Alliance Party Chooses Presidential Candidate

PA0407170689 Managua Radio Sandino in Spanish 1200 GMT 3 Jul 89

[Text] The Popular Conservative Alliance has nominated Miriam Arguello Morales for president. Arguello's candidacy was confirmed at the first Popular Conservative Alliance convention, held at Dorado Theater. Arguello's name will be presented to the National Opposition Unity leadership, which will pick a single candidate for the rightist opposition.

The Alliance's convention was characterized by strong speeches against the revolutionary government. Alliance members even blamed the government for a power outage in the Dorado Theater area, accusing the government of obstructing the event.

PSN's Tablada on Party's Electoral Strategy

PA3006171989 Managua Radio Sandino in Spanish 1930 GMT 29 Jun 89

[Report on interview with Gustavo Tablada Zelaya, secretary general of the Nicaraguan Socialist Party (PSN), by unidentified reporter in Managua; date not given]

[Text] Dr Gustavo Tablada Zelaya, PSN secretary general, has said that his party will probably not nominate candidates to the Presidency of the Republic within the right-wing alliance dominated by COSEP [Higher Council of Higher Enterprise] and the Ramiro Sacasa Guerrero Democratic Coordinating Board.

[Begin recording] [Tablada] The PSN has its own views on this issue. Our party's political commission officially approved a draft project containing the electoral program and the aspect of the electoral process that we will officially present at the Nicaraguan Opposition Unity [UNO] meeting.

On Sunday, the PSN will mark the 45th anniversary of its founding during a ceremony at the headquarters of the independent CGT [General Confederation of Labor]. We will publicly announce some of the main issues that the PSN will defend within UNO to ensure that they become part of what the Nicaraguan opposition electoral program should be.

[Reporter] Dr Tablada, you still claim to be Socialists. How can you conciliate the rightwing's goal of completely destroying the Nicaraguan revolution—which calls for important actions such as the nationalization of banks and trade—given that these important issues run counter to ideas that right-wing parties advocate?

[Tablada] I do not yet know the position of other UNO parties. Given that discussion of the electoral program has not started, we do not yet know the arguments, positions, or proposals that they will bring to drafting this electoral program.

[Reporter] Would you support a government platform that seeks to reverse the nationalization of foreign trade and banks?

[Tablada] I already told you that we do not yet know their positions. It would be absurd to discuss something that has not even been revealed yet. We must wait and see what the other UNO parties propose. [end recording]

Spanish Senators Hail 'Democratization' Steps

PA0107194089 Managua BARRICADA in Spanish 29 Jun 89 p 4

[Text] Spanish Senators Fernando Sanz and Ramon Salas yesterday recognized the efforts of the Nicaraguan Government to guarantee a fair and democratic electoral process. They agreed that the United States must change its policy toward Nicaragua for the sake of the people's development and progress.

After meeting with National Assembly First Secretary Rafael Solis, the Spanish parliamentarians, who are currently in Managua to take part in activities related to Spain's transition period, addressed various aspects of the country's life, mainly "the promising democratization measures that are being implemented in the country."

Fernando Sanz, a member of the socialist parliamentarian group PSOE [Spanish Socialist Workers Party], stated that every one is aware of the real nature of U.S. policy in Central America and, bearing in mind that Nicaragua is a key factor in the effort to achieve peace in the region, "it is obvious that, at least in the past (under Reagan), this policy was not the most favorable for achieving this pacification."

I believe, Sanz said, that any change in U.S. policy toward Nicaragua would be viewed with optimistim. "The problem is that, if there is an interest in thwarting the peace efforts within the U.S. political parties, they will be dealing history a bad hand and doing no favor for the Nicaraguan people or for the region in general."

Sanz categorically stated that the Sandinist government is implementing all the necessary measures to hold fair elections and praised the Nicaraguan Government's open-door policy for foreign observers to oversee the electoral process. "If the government were unwilling to hold fair elections, it would not allow foreign participation," Sanz stated.

For his part, Senator Ramon Salas Canadell, a member of the parliamentarian group Convergence and Union added that things "are looking good" and endorsed all the measures to establish a long-lasting peace and promote the Nicaraguan people's progress.

However, Sanz concluded: "We believe that it would be best to find the most pragmatic solutions to help a change in U.S. policy toward Nicaragua become a reality."

Reports on Government Clashes With Opposition

Defense Ministry Report

PA3006234789 Managua Sistema Sandinista Television Network in Spanish 1600 GMT 30 Jun 89

[Text] Today, the Ministry of Defense reported new counterrevolutionary actions that disrupted a government-decreed cessation of offensive operations. At Loma

del Divisadero, Rio San Juan Department, the Sandinist People's Army [EPS] killed one contra during an attack. On 27 June, four counterrevolutionaries were wounded in Jinotega during another attack against the EPS. The EPS, meanwhile, suffered one casualty during a contra ambush of two military vehicles at La Camaleona, Jinotega Department.

4 Peasants Kidnapped 28 Jun

PA0107022689 Managua Radio Sandino in Spanish 1930 GMT 30 Jun 89

[Report by Juan Carlos Sarmiento from Matagalpa]

[Text] In an attempt to strengthen their forces—which have been weakened by the Nicaraguan Patriotic Military Service cubs during 7 years of war—on 28 June, a group of 40 mercenaries kidnapped 4 Nicaraguan peasants in an area known as Yales No 1, La Dalia Municipality, 36 km northeast of Matagalpa.

On the evening of 28 June, the mercenaries forcefully entered the homes of and took away Luis Pisquez Flores, Cesar Montenegro, and the brothers Alfredo and Jorge Mayena Hernandez. The mercenaries had been sent there by a contra leader known as Guazaca.

The Defense Ministry's Public Relations Department reported that this new abduction took place when the contras were passing through Yales on their way to camps located in the neighboring country of Honduras, where it is suspected that the contras will take the four abducted peasants.

Police Prevent Clash in Leon

PA0307152189 Paris AFP in Spanish 2220 GMT 2 Jul 89

[Text] Managua, 2 Jul (AFP)—The Sandinist police intervened today to prevent a clash between opposition and progovernment demonstrators in Leon, west of Managua, at the beginning of an election campaign that is quickly heating up.

The incident occurred when approximately 2,000 people attended a demonstration in Leon, 90 km from Managua, which was organized by the National Opposition Unity (UNO), a coalition formed by 15 parties to demand a "national salvation" government and "honest and free" elections in February.

After marching through the city's main streets, the demonstrators gathered in front of El Calvario church, where the speakers had trouble being heard because about 30 Sandinist youths were shouting at the demonstrators, accusing them of selling out to the United States "for a few dollars."

Subcommander Eduardo Cuadra, chief of the Interior Ministry in the western region, ordered the riot police to form a human cordon between both groups to prevent a clash.

Opposition leaders said the incident was "a government maneuver to intimidate the people."

Social Christian leader Duilio Baltodano said the action by the police was "just a show so foreign journalists will think the police are maintaining order and protecting our lives."

Baltodano, vice president of the Nicaraguan Democratic Coordinating Board (CDN), added that what occurred in Leon "gives a slight idea of how difficult it will be for the opposition to wage an election campaign under equal conditions."

Yesterday, local authorities had authorized marches by the opposition and the Sandinist National Liberation Front (FSLN) but with different routes.

Nevertheless, the group of FSLN youths broke off from their march to verbally harass the opposition.

At the end of the demonstration, several foreign journalists were taken to the Sandinist police headquarters to verify their identification documents, but they were then released.

Documents Seized in Clash

PA0107154389 Managua Radio Sandino in Spanish 1200 GMT 1 Jul 89

[Text] A Santos Lopez Battalion for Unconventional Warfare [BLI] company killed four and wounded six members of the counterrevolution and seized some documents during a clash in the Waslala area. Captain Flores, chief of general staff of the (?BLI) groups, said that the documents described plans to sabotage the 19 July celebrations and the 1990 elections. The documents also define the mercenary forces' area of operation.

[Begin Flores recording] Their basic mission was to infiltrate the areas of Arenales and (Tasua), south of Waslala, along the banks of the [words indistinct] and to carry out a series of terrorist actions. This is part of a contra plan against the 19 July activities. One of the counterrevolutionary FDN's [Nicaraguan Democratic Forces] main objectives at this time is to find out which towns election centers are going to be located and to (?destroy) these voting centers. [end recording]

Capt Flores also reported that 1.5 million cordobas and military materiel were also seized from the contras.

Panama

U.S. Army Reportedly Invades Water Plant

PA0407001989 Panama City Circuito RPC Television in Spanish 2318 GMT 3 Jul 89

[Report on incident involving U.S. troops at the water purification plant in Chilibre on 2 July]

[Text] An act of aggression by the U.S. Army near the Chilibre water purification plant was reported today by IDAAN [Institute of National Aqueducts and Sewers] authorities. The IDAAN authorities report that yesterday U.S. Army troops invaded the plant installations. They said that U.S. Army helicopters arrived in the area near the plant carrying some 300 troops in combat gear. The source added that the troops toured the area in a threatening way.

[Begin IDAAN Director Carlos Orillac recording] We want to emphasize that in the case of an installation of this kind, where people have to act with a sense of responsibility and care, for strangers who know and care nothing about the plant to go into and move freely about the area... [Orillac changes thought]. If there had been a struggle or any protest or any effort to stop them, there could have been negative consequences for the plant itself, meaning that approximately 25 percent of the country's population could have been left without water. [end recording]

Meanwhile, Rodolfo Tejada, national director of IDAAN operations, explained the U.S. interference that occurred yesterday:

[Begin Tejada recording] This entire area is fenced off. We advanced toward this access area toward the water intake point. When we arrived at this point—which intersects the Madden Dam Highway—there was a U.S. military jeep blocking our way. [end recording]

Finally, the IDAAN authorities said that the last contingent of U.S. soldiers, who were on the access road to the water intake point at Alajuela Lake, withdrew at approximately 0830 this morning.

Dignity Battalions on 'Alert'

PA0507032789 Panama City LA REPUBLICA in Spanish 4 Jul 89 p 2

[Text] Following the U.S. troops' seizure of the town of Gamboa and the water purification plant in Chilibre, the Dignity Battalions have been placed on a state of alert to guard against any situation that might arise in the next few hours.

Dignity Battalion members from various parts of the country are reporting to their bases of operation, ready to defend our homeland against the invading U.S. troops' threats, which increase each day.

On the morning of 1 July, heavily armed U.S. troops in armored personnel carriers and helicopter gunships seized the town of Gamboa, committing a new act of provocation, constituting a new step in the aggression and psychological warfare waged against the Panamanian people.

Before dawn on 2 July, another contingent of heavily armed troops in armored personnel carriers, as well as airborne troops, seized the water purification plant in Chilibre and, not satisfied with that, threatened to kill the personnel working at the plant.

PDC's Arias Calderon on Increased Repression

PA0307223489 Hamburg DPA in Spanish 2132 GMT 3 Jul 89

[Text] Panama City, 3 Jul (DPA)—Ricardo Arias Calderon, president of the Christian Democratic Party [PDC], said today that there has been an increase in "repressive actions" against his party's followers during this past week.

Arias Calderon said that on Friday, following the raid on his party's offices, five PDC followers were arrested and given an incommutable "illegal sentence" of a year in prison on trumped up charges of subversion and contempt for authority.

Arias Calderon, who was a vice presidential candidate for the Civic Democratic Opposition Alliance (ADOC), said that political prisoners have been forced to remain standing—not allowed to sit—for as long as 24 hours at a stretch, and not given any food for 36 hours. They have also been beaten and are being kept in isolation.

In addition, the opposition leader charged that over the weekend, during a trip to Chiriqui Province, 438 km from the capital, he was able to avert an "ambush that had been arranged by the chief of that military zone" because he was tipped about it by citizens and party followers in Chiriqui.

Later, he said, he was detained for 1 and ½ hours at a military checkpoint and his party's propaganda material was seized.

According to Arias Calderon, all of these "absurd repressive actions are intended to erase from the minds of Panamanians that the opposition won the elections on 7 May." However, he said that he will continue to struggle for democracy in Panama "come hell or high water." He also challenged the authorities, saying that "if they want a prisoner, let them come pick me up, and not take it out on humble people who believe in Christian democracy and have turned the PDC into the nation's leading political force."

Arias Calderon made the statements today during a news conference at which he asserted that "the Panamanian regime is dismantling the Electoral Tribunal [TEP]" because two of its three magistrates refused to proclaim Carlos Duque, the government candidate, the winner of the last elections.

He said that on 10 May, hours before the annulment of the elections was announced, "General Manuel Antonio Noriega demanded that Magistrates Aurelio Correa and Luis Carlos Chen proclaim Duque the winner, but they responded that they would not sign the proclamation with their hands."

He said he thinks that Correa's separation from the TEP by the Supreme Court to investigate a charge filed against him by the Authentic Panamenist Party for having allegedly blocked proceedings in a case originated in that incident.

PRD Plans To Expel Over 25 Members for Treason
PA0207144189 Panama City LA ESTRELLA DE PANAMA in Spanish 1 Jul 89 pp A-1, A-6

[Report by James Aparicio]

[Text] Through its discipline and honor tribunal, the ruling Democratic Revolutionary Party [PRD] will take action in the next few weeks against several members on charges that they committed "treason against the homeland and Torrijos' principles."

This decision was reported to newspapers by PRD Secretary General Darinel Espino, who mentioned former President Aristides Royo, former Ambassador to Venezuela Marcel Salamin, former Consul to New York Jose Isabel Blandon, and former National Bank Manager Luis Alberto Arias among a list of more than 25 names.

Espino, however, did not say when the penalty would be applied, which will be expulsion from the party, according to PRD statutes. He added that after the suspension of the PRD from Socialist International, the party still maintains bilateral relations with 62 related political parties from Latin America and Europe.

"We continue to participate in the Permanent Conference of Latin American Political Parties [COPPPAL] at the COPPPAL presidency," Espino said. He criticized the attitude of some Socialist International European parties, which he did not specify.

Espino said he agrees with holding a dialogue that will solve the conflict among the opposition, the government parties, and the Army, but with "no preconditions."

"We believe in a dialogue without preconditions, but the United States first must lift the sanctions and the psychological and military pressures."

Duque Reiterates PRD Commitment to Dialogue
PA0407170489 Panama City Circuito RPC Television in Spanish 2300 GMT 3 Jul 89

[Statement by Democratic Revolutionary Party President Carlos Duque Jaen; date and place not given—recorded]

[Text] The OAS foreign ministers stated very emphatically they cannot plan another return to Panama in the near future, particularly if we Panamanians fail to find a Panamanian formula. They said we could inform them when we have such a formula.

I would not feel today...[changes thought] I see no possibility of a tripartite dialogue, because the parties apparently have not reached an agreement, and some parties do not have a political commitment to sit down to a serious tripartite dialogue. Many calls have been made to the Civic Democratic Opposition Alliance, and they have repeatedly said yes; however, they always establish conditions or preconditions, such as saying they are going to ask for an explanation from the OAS. I do not know if the opposition has contacted the government to sit down to talk, to engage in a dialogue. I believe the calls have been made publicly. I do not know of any talks that have been initiated between the government and the opposition.

The Panamenist Party, whose president is Hildebrando Nicosia, has called for a dialogue to seek national harmony. Several meetings have been held in which the PRD has been present, as it will always be present at any meeting to which we are called in a search for political solutions. However, Nicosia said it had not been possible to get the opposition parties to attend these meetings, which are seeking national concord. A meeting took place yesterday at the home of Orillac [not further identified]. Political parties were present, but the opposition parties were not represented in this attempt to arrive at a national agreement. This demonstrates that the political parties are aware of the seriousness of the crisis, are perfectly willing to sit down and talk, and have responded to Nicosia's call. The PRD reiterates it is politically disposed to sit down and talk.

FDP Officers Testify on March 1988 Coup Attempt
PA3006233689 Panama City ACAN in Spanish 1703 GMT 30 Jun 89

[Text] Panama City, 30 Jun (ACAN -EFE)—Sources from the Attorney General's Office reported today that Panamanian military officers accused of attempting a coup on 16 March 1988 and who are now in custody have been testifying over the past few days.

Attorney General Carlos Villalaz told ACAN-EFE that "investigations continue" at several Panamanian detention centers, where 18 officers accused of having plotted

a coup against General Manuel Antonio Noriega, commander in chief of the Panama Defense Forces, are being held. The report was confirmed by the wives of several of the officers, who today tried unsuccessfully to see Villalaz.

Following 1 year in detention in accordance with military regulations, the officers accused of the coup attempt and of "attacking state security" must stand trial under existing criminal laws. In a letter delivered on 27 June to the Association of Union Lawyers [Asociacion de Abogados Gremialistas], 14 wives of the jailed officers denounced "a number of irregularities" which, according to them, have been committed by the authorities in charge of this case.

The officers' wives repeated the charges they had previously presented to several ambassadors accredited to Panama, i.e., that the detention of their husbands for more than 1 year without opening the case "is a direct violation of the Panamanian Constitution." They insist that their husbands have endured "all sorts of violations of human rights while in custody." The attorney general declined to comment on these charges while the investigations are under way.

The wives of most of the officers have recently made several attempts to gain their husbands' release or at least to gain them the right to seek asylum in some foreign country.

A coup attempt took place on the morning of 16 March last year following the outbreak of the political crisis in Panama. According to Panamanian military sources, the intention was to oust Noriega and to call for elections. The regime accused Colonel Leonidas Macias of leading the coup attempt and charged that those involved in the coup had connections with the United States.

Officers' Wives Lodge Complaints

PA0407023589 Panama City ACAN in Spanish 1724 GMT 3 Jul 89

[Text] Panama City, 3 Jul (ACAN-EFE)—The wives of the FDP officers who are in custody on charges of involvement in a coup attempt against General Manuel Antonio Noriega were received by a colonel of the FDP General Staff for the first time today.

A total of 21 officers were arrested on 16 March 1988 for allegedly being involved in a coup attempt to oust Noriega, the FDP's commander in chief.

This is the first time since then that a General Staff officer has met with the relatives of the jailed officers.

Colonel Angel Mina, chief of the FDP Economic Services, received the wives of three majors who have been held for over a year. The wives delivered to Mina a request for reimbursement of the "savings" deposited by their husbands in the Patria Bank, the FDP's financial institution, which Noriega heads.

The letter, which is addressed to the director of the bank, Guillermo Vega, and signed by 11 relatives of the officers, asks for return of the officers' contributions to the "retirement fund" during their military service.

The wives who met with Mina told ACAN-EFE later that he was "very courteous" and took note of their request.

During this past week, most of the arrested officers have been rendering testimony before Attorney General Carlos Villalaz, who is conducting proceedings to indict them on charges of "attacking state security."

Meanwhile, the officers' wives and relatives continue in their efforts to lodge a complaint over the "abuse of authority by the FDP commander in chief" (Noriega) by "extending the penalty" imposed on their husbands beyond the 1 year term, which is the term provided for by military laws.

They have written letters to the Pope; the French, Venezuelan, Mexican, Argentine, Colombian, Uruguayan, Peruvian, Dominican, Ecuadoran, and Bolivian presidents; and the heads of state of Spain and Italy.

Political Parties Meet, Seek Crisis Solution

PA0207225289 Panama City LA ESTRELLA DE PANAMA in Spanish 2 Jul 89 p A-1

[Text] Representatives of a majority of political parties met last weekend in Cerro Azul to seek formulas for a national agreement, given the political and economic situation prevailing in the country.

In fact, authorized representatives of the Authentic Arnulfista Panamenist Party [PPAA], National Action Party [PAN], People's Party [PdP], Democratic Party of Workers [PDT], Revolutionary Panamenist Party [PPR], Labor Party [PALA], Liberal Party [PL], and Democratic Revolutionary Party [PRD], participated in a broad debate on the various problems that have affected the country for the last 2 years, particularly on the need to reach a national consensus among all political parties.

The political representatives met for 2 days and agreed to hold a series of meetings with all political sectors of the country, discuss all possible solutions, and include all Panamanians. Of all the topics discussed by the participants, the one that causes the most concern among them is finding a solution to the problems that have resulted from the aggression that affects vast sectors of the Panamanian population.

The Cerro Azul meeting was attended by Marcos Cordova and Mirla Diaz for the PAN; Alberto Velasquez and Armando Aizpurua Arauz for the PALA; Eduardo

Rios for the PDT; Carlos Orillac and Dario Gonzalez de la Barrera for the PL; Miguel Porcell and Rupert Thomas for the PdP; Maida Arango and Luis Carlos Garcia for the PPR; Reynaldo Rivera, Humberto Mena, and Gerardo Sanchez for the PRD; and Hildebrando Nicosia Perez and Diogenes Sagel for the PPAA.

The Cerro Azul meeting confirmed the existence of a negotiation process among Panamanians through a national appeal to achieve "an agreement without conditions and with decisions adopted by consensus." All the political parties, without exception, are expected to join the Cerro Azul meetings.

It is understood that the meetings will continue during this week until "a national agreement" is achieved.

Editorial on Upcoming Government Power Vacuum
PA0307002089 Panama City LA ESTRELLA DE PANAMA in Spanish 2 Jul 89 p A-4

[Editorial: "The Nation's Political Future at a Crossroads"]

[Text] All Panamanians know that 31 August 1989 marks the conclusion of the constitutional period for president of the Republic, members of the National Legislative Assembly, and corregimiento representatives. The Electoral Tribunal's annulment of the 7 May elections, and the document issued later on by the Supreme Court of Justice declaring the action legal, leaves the nation without officials to take over national affairs on 1 September 1989. The Supreme Court of Justice's ruling, declaring that the Electoral Tribunal's decree was not unconstitutional, legally settles the political situation on one side and leaves us at a crossroads on the other.

The Supreme Court of Justice's ruling states that the Electoral Tribunal is wholly responsible for deciding the Republic's political future, as far as the 7 May elections are concerned. An objective and realistic analysis of the nation's political developments clearly indicates that nothing will change in this concern. Under the circumstances, the country must face an unusual situation. Since it is impossible to hold some kind of election before 1 September, the government branches must find a solution to the vacuum of power that will occur on that day. The nation seems to find itself on a dead-end street. Any solution, far from helping alleviate the deep tensions that have affected the country for over 2 years, would worsen them in an unpredictable way.

Juridically speaking, the 7 May elections and their possible results now represent a closed chapter for the configuration of the Republic's political future. These are undeniable truths. Pleasant for some and sour for others, the Panamanian people's destiny is now balanced on a razor's edge and there is no hope for a solution. The prevailing situation is not pleasant for a country that has been dealt severe blows by a terrifying economic crisis, harsh political divisions, and an infamous foreign aggression. Panamanian political leaders must advocate a national agreement that allows us to seek and find the road to harmony and peace.

We face a political reality. The annulment of the elections leaves a government vacuum for 1 September. If no agreement is reached by the contending sectors, the national government must seek a solution to the intricate situation, through its most competent organizations. Whichever road is chosen, it is expected to be the most adequate and positive. This may not be the most convenient thing for the Republic's political future but it is a reality that we will have to face.

Venezuela's Admission Into Nonaligned Protested
PA3006192389 Panama City Domestic Service in Spanish 1100 GMT 30 Jun 89

[Text] Acting Deputy Foreign Minister Hernando Franco Munoz has asserted that Panama will not change its position of vetoing Venezuela's admission into the Nonaligned Movement as long as the Venezuelan Government continues to meddle in Panama's internal affairs.

Munoz stressed that our government is prepared to shift its position in this regard if Caracas changes its position with regard to our authorities and Panama's internal situation. He recalled that in May, during the nonaligned foreign ministers' meeting in Zimbabwe, Panama vetoed Venezuela's application for admission and accused Caracas of violating the principles of nonintervention and self-determination by meddling in Panama's internal affairs.

Argentina

Menem on 'Very Rigorous' Economic Policy

PY0307214689 Buenos Aires BUENOS AIRES HERALD in English 3 Jul 89 pp 1, 7

[Excerpt] President-elect Carlos Menem—who yesterday celebrated his 59th birthday—reiterated that his economic policy will be "very rigorous," as he will make "no concessions of any kind" to the different social sectors, while pointing out that the fight against hyperinflation will be carried out in a "quick and conclusive way" although "not in the form of a shock."

In statements to El Cronista Comercial, Menem said yesterday that as long as the military problem remains unsolved "the whole institution will represent a danger to the next government," but nevertheless emphasized that "the chain of command will be reestablished no matter what."

Menem said that his government will carry out "major surgery" on state companies, "such as we are already doing with ENTEL (phone company), and we will continue to do with Ferrocarriles Argentinos (railway) and the National Highway Board."

In the case of Ferrocarriles specifically, the future chief executive said that "we already have a plan underway" for its reform.

"There is a certain consensus regarding the idea of reforming in order to protect and strengthen the different areas, and thus avoid the loss of jobs. Either we do what we have to do or Ferrocarriles will disappear. The state cannot continue to maintain loss-making companies," he said.

Furthermore, Menem confirmed that "we will carry out the by now famous tarifazo (massive hike in public utility rates)," but specified that the measure will be accompanied by "credit lines which will enable the private sector to face these hikes and reactivate production. This will in turn substantially lower inflation as well as competition with private banks as far as issuing credit lines goes."

Asked where the money for those credit lines will come from, Menem answered that the incoming government is working on "obtaining two billion dollars," because "there is no other choice."

The elected head of state underlined that his two main concerns will be "reconquering foreign markets and gaining new ones."

He indicated that the state will attain the resources it needs by establishing a high dollar exchange rate as well as retentions. "When the floor of the latter and that high dollar at some point coincide, the retentions will disappear," he explained.

Regarding provincial banks, Menem said that "they are all in the red," and that "the only way out is to unify their debts. The other possibility is to whitewash" the debts.

He pointed out that "nobody" will be able to stand in the way of his drive to open up petrol policy to the domestic private market or foreign markets, and confirmed that Octavio Frigerio will remain at the head of YPF State Oil Board because "nobody will twist my arm."

"In the same way that nobody will limit my actions in tasks that fall under my jurisdiction, nobody will interfere with the actions of my ministers," he said. [passage omitted]

Menem Discusses Debt, Foreign Investment

PY0407021589 Buenos Aires TELAM in Spanish 1129 GMT 3 Jul 89

[Excerpts] La Rioja, 3 Jul (TELAM)—President-elect Carlos Menem has stated that "talks are being held with the IMF delegates but that no agreement has been reached." He added that the treatment given to the foreign debt is that "proposed by the Justicialist Popular Unity Front [FREJUPO] which refers to a grace period, delay in payment or an agreed-upon moratorium, based on dialogue and reconciliation, but with congressional approval."

He added: "We are talking, seeking to be able to reasonably meet our commitments and to facilitate Argentine development and potential economic growth." He said: "Our creditors will welcome this. If Argentina does not grow, it will not develop or create wealth, and we will therefore be unable to meet our obligations."

Asked whether the creditors will make a political decision to help the country, Menem answered: "This question should be addresed to them. Do not ask me such a question. Creditors are just other capitalists, and it is very difficult for the creditors to play politically with their resources. They play through their interests. We are the ones playing the political game."

Referring to the investment of foreign capital, Menem stated: "To the extent that we give them stability, capital will come from everywhere. But if Argentina fails to provide them security, they are not going to come." He added: "Capital has no fatherland; it goes where there is security. At this moment Argentina does not offer any guarantee. After 8 July things will change."

He did not discard a joint solution with other Latin American countries, although he stated that each case will be treated individually. He said: "Later when we manage to advance the process of Latin American integration, we are going to study that possibility." [passage omitted]

Menem also announced the designation of Argentina Verti as head of the Women's Secretariat and of Engineer Juan Carlos de Roberti as water and energy Secretary. He added that either today or tomorrow he will name the mining secretary and under secretary. [passage omitted]

Menem Resigns From La Rioja Governorship
PY0407182089 Buenos Aires Domestic Service in Spanish 1600 GMT 4 Jul 89

[Excerpt] President-elect Carlos Menem officially resigned today as La Rioja governor and turned power over to Vice Governor Alberto Cavero. Menem will travel this afternoon at 1630 to Buenos Aires, where he will be inaugurated as the nation's president on Saturday, 8 July.

Joint Staff Commanders To Remain Until August
PY0407032989 Buenos Aires Domestic Service in Spanish 0200 GMT 4 Jul 89

[Text] President-elect Carlos Menem decided today that the current commanders of the joint staff will remain in their posts until August. Menem also informed Deputy Luis Martinez that he will not be education secretary after all.

Menem's decision regarding the commanders of the joint staff was disclosed by a high-ranking official in La Rioja Province who said that Menem informed Brigadier General Francisco Gassino, Army chief of staff, of his decision during a meeting in La Rioja.

Politically Appointed Ambassadors Recalled
PY0407014689 Buenos Aires DYN in Spanish 2128 GMT 3 Jul 89

[Text] Buenos Aires, 3 Jul (DYN)—It was officially announced today that the executive branch has appointed a new ambassador to Barbados and has called many politically appointed diplomats back to the Foreign Ministry.

Decree No 949 appoints Nora Lucias Jaureguiberry ambassador to Barbados and the Bahamas.

The government has decided to recall ambassadors Jorge Maria Siri Longhi and Gustavo Jose Caceres, who were at the head of the Argentine Consulates in Chico and San Francisco (United States), respectively.

Here is the list of other ambassadors recalled by the Foreign Ministry: Jorge Taiana, ambassador to Yugoslavia; Julio Colombo to Venezuela; Carlos Perette to Uruguay; Federico Bravo to the USSR; Ricardo Campero to the ALADI [Latin American Integration Association]; Jose Astigueta to Belgium; Luis Ramiro Alfonsin to the European Communities; Alfredo Mosso to Costa Rica; Ricardo Illia to Ecuador; Ricardo Daud to Egypt; Hipolito Jesus Paz to Greece; Alfredo Allende to Italy; Jorge de Belaustegui to Honduras; Guillermo Wadi Rosales to Libya; Norman Zamboni de la Puente to Morocco; Roberto Tomasini to Mexico; Julio Strassera to the international organizations headquartered in Geneva; Jorge Remonda Ruibal to the Netherlands; Bernardo Sola to Panama; Miguel Szelagowski to Poland; Santiago de Estrada to the Holy See; Oscar Puiggros to Portugal; and Anselmo Marini to Peru.

The decrees were signed by President Raul Alfonsin and Foreign Minister Susana Ruiz Cerrutti.

Police Deployed To Prevent Looting in Rosario
PY0407183289 Buenos Aires Domestic Service in Spanish 1600 GMT 4 Jul 89

[Text] In the wake of new attempts to loot several shops in Rosario, the police have taken preventive measure by deploying personnel around the city. Police were joined by Gendarmerie troops, who are still on duty in Rosario to maintain order. According to the police, the forces were deployed particularly in the southern, western, and northen areas of Rosario, where acts of vandalism were more intense in late May. In those areas, some small shops were looted yesterday.

Bomb Explosion Damages Union Leader's House
PY0407185889 Buenos Aires DYN in Spanish 1552 GMT 4 Jul 89

[Text] Buenos Aires, 4 Jul (DYN)—Police sources have reported that a bomb went off before dawn today in front of the house of Nicolas Racco, social welfare secretary of the maritime workers union.

The bomb, which did not injure anyone, went off in front of the residence at 1683 Olavarria Street in Villa Madero, in the southwest sector of Buenos Aires Province. The explosion damaged the building's plaster and windows.

Racco and his relatives were inside the house at the time of the explosion.

Menem Designates New Maritime Fishing Director
PY0407204089 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1740 GMT 4 Jul 89

[Text] Buenos Aires, 4 Jul (NA)—President-elect Carlos Menem has designated Alicia Muzio as head of the National Maritime Fishing Board which is subordinate to the Agriculture, Livestock, and Fishing Secretariat headed by Felipe Sola.

Muzio is currently coordinator of the National Federal Fishing Committee. Until recently she has been working with the Senate fishing commission.

It has also been learned that Menem designated Jose Ibanez, brother of Diego Ibanez, petroleum workers union leader, as administrator of the national fish market in Mar del Plata.

The future chief of state also reportedly "asked" San Juan national Deputy Luis Martinez to keep his seat in the Chamber of Deputies. Martinez will therefore have to step down from the Education Secretariat post to which he was recently appointed.

Menem Sends Message to Syrian President

PY0307211489 Buenos Aires TELAM in Spanish 1632 GMT 3 Jul 89

[Text] Damascus, 3 Jul (TELAM)—In a message sent to Syrian President Hafiz al-Asad, Argentine President-elect Carlos Menem has expressed his "great pride at being the first Argentine of Arab descent to obtain the highest investiture" in Argentina. The text of the message was released today in Damascus.

Menem is of Syrian descent. His father was born in the town of Yabrud, in the mountains, some 30 km from Damascus.

In the message to Ali Asad, Menem thanks the Syrian leader for his congratulations sent to Menem last May, after the Argentine national elections.

Ali Asad and Menem met personally a year ago in Syria.

In addition to expressing his "great pride of place" at being the first Argentine of Arab descent to reach the Casa Rosada, Menem's message expresses his desire for "tighter" relations between Damascus and Buenos Aires.

Armenian Delegation Acknowledges Argentine Aid

PY0407202289 Buenos Aires DYN in Spanish 1350 GMT 4 Jul 89

[Text] Buenos Aires, 4 Jul (DYN)—Today President Raul Alfonsin received a delegation from the Republic of Armenia, headed by Deputy Prime Minister Vanik Dayan [name as received], who thanked him for Argentine aid after the bloody earthquake that hit the Armenian Republic last year.

Moreover, Vartan Shahinian [name as received], representative of the Armenian Earthquake Coordinating Commission and member of the Armenian General Welfare Union, expressed his appreciation to the Argentine President because "Argentine aid has not stopped, and at this moment this aid is coming in the form of contributions for the improvement of cattle breeding, especially those for milk production."

Dayan also took the opportunity to express his country's gratitude to President Alfonsin and to extend "best wishes" to him when he steps down from his post.

Brazil Approves Purchase of 420 Light Planes

PY0307212289 Buenos Aires TELAM in Spanish 1412 GMT 3 Jul 89

[Text] Cordoba, 3 Jul (TELAM)—The Brazilian Government has approved the purchase of 420 planes manufactured by the Aeroboero enterprise in Monteros, Cordoba Province. These planes will cost $34 million.

Negotiations began last year, and a 4-year program has been established. During this period, the Cordoba plant will deliver 350 light planes of 115 horsepower and 70 of 180 horsepower, each costing $73,000 and $82,000, respectively.

These small planes will be leased to aeroclubs, by the Brazilian ministry [not further identified]. They will be used to train pilots and to pull gliders.

The Morteros plant will manufacture six planes per month, to reach nine planes by the third year. It will thus be getting ready to make new offers in other markets within the next few months.

Paraguay To Supply Electricity to Northeast

PY0407185489 Buenos Aires Domestic Service in Spanish 1600 GMT 4 Jul 89

[Text] It has been reported from Asuncion that Paraguay's ANDE [National Power Administration] will supply electricity to the northeast region of Argentina. The Paraguayan company signed an agreement with Water and Energy, an Argentine company, whereby the former will supply electricity to the Argentine region through an interconnection system linking a station in Guarambare, Paraguay, and a station in Clorinda, Argentina, by May or June 1990.

Bolivia

Police About To Arrest Zarate Willca's Leaders

PY0307132089 La Paz La Red Panamericana in Spanish 1130 GMT 3 Jul 89

[Text] Police Commander (Marcos Molinas Ezaygue) has reported that the police are about to detain the leaders of the Zarate Willca Armed Forces of Liberation. Police know their names, although the press only knows their nicknames—Horacio and Tod—(Molinas) said.

The case is practically closed now that the two murderers of the Mormon missionaries have been arrested. Felix and Nestor Encina Laguna, the two alleged murderers, were Bolivian Socialist Falange members and had worked at the Defense Ministry under (Luis Arce Jimenez).

According to (Molinas), some 15 people are still under arrest and are being questioned by members of the special intelligence services, who are working on the investigation 24 hours a day. They are being assisted by U.S. FBI agents and members of the French police.

(Molinas) said the case was solved swiftly thanks to the great ability and professionalism of the Bolivian police, whose best minds were appointed to investigate the murder.

On 10 July, the police will disclose details of the case to the press. Currently, the police are investigating the Zarate Willca Group and trying to determine whether it is linked to the Peruvian Shining Path terrorist organization.

MNR Candidate: No Tripartite Agreement Possible

PY0307234589 La Paz EL DIARIO in Spanish 25 Jun 89 p 1

[Excerpts] According to presidential candidate Gonzalo Sanchez de Lozada, the ideal thing would be for Bolivia to be ruled as of 6 August by a coalition government [co-gobierno] headed by the MNR [Nationalist Revolutionary Movement] that will continue to carry out the new economic policy and will guarantee stability and development.

Sanchez de Lozada said that his party offers the best alternatives to remain in government palace through a bipartisan agreement based on the continuation of the new economic policy.

He added: "The best thing for the country would be a coalition government formed with either the ADN [Nationalist Democratic Action] or the MIR [Movement of the Revolutionary Left], but with Goni [not further identified] as president. This would be consistent with the people's will because we also represent their best alternative."

Sanchez de Lozada said that the space that the MNR occupies in the political arena gives it great chances to reach future agreements. He noted: "we can have a center-rightist or center-leftist government with the ADN or the MIR."

The candidate also said that these two parties have a good chance of improving their public image because with the MNR in government they will be able to overcome some problems of the past. [passage omitted]

In dismissing the possibility of a tripartite agreement, Sanchez de Lozada said: "I see no possibility for a national unity government because such a government is only feasible in times of war." [passage omitted]

He said: "There is very little foreign intervention. I have noticed that the U.S. Embassy is interested in meeting with all political parties. They are especially interested in Bolivia's continuing to be democratic."

Sanchez de Lozada asserted that the economy is strongly influenced by the political developments. However, he noted that although an agreement has not been reached yet for the presidential elections, the situation in Bolivia is calm because the current government is acting with a great sense of responsibility.

The presidential candidate said: "I am convinced that if the political parties get down to talking seriously, we will soon reach agreements that will allow serious and responsible actions to stop people from worrying about our economy."

Sanchez de Lozada said that his party will intensify contacts with the leaders of the Bolivian political parties in order to reach a definite agreement in keeping with the position adopted by the MNR executive committee.

Minister on U.S. Aid To Fight Drug Trafficking

PY0407145689 La Paz La Red Panamericana in Spanish 1130 GMT 4 Jul 89

[Text] Interior Minister Eduardo Perez Beltran has said that the Bolivian Government has never, and will never, ask the U.S. Government to send military troops to fight drug trafficking. The minister said that such a request could never be made by the executive branch alone. It would depend on a resolution to be released by the legislative branch. He added that, so far, the legislative branch has not released such a request.

Minister Perez said the current administration, which will end its term in office in 30 days, would never impose such decision, which would have great repercussions.

The minister said no force or government in the world can fight the drug trafficking scourge alone and put an end to it. Therefore, he said, all human beings must help eradicate this scourge.

Referring to the Santa Ana de Yacuma incidents, Minister Perez said that police have not returned to that settlement for security reasons. He added that institutional authorities will soon resume their positions there.

Regarding the detention of drug traffickers in Paraguay, Minister Perez said the Bolivian intelligence services have taken the appropriate steps to investigate links between Bolivian drug traffickers and members of an international cartel.

Development Program With U.S. Ammended

PY0407161189 La Paz La Red Panamericana in Spanish 1130 GMT 4 Jul 89

[Text] Yesterday, the Bolivian and U.S. Governments signed amendments to the Economic and Financial Cooperation Program for the development and strengthening of various productive and service activities. Planning and Coordination Minister Fernando Romero Moreno and U.S. Ambassador Robert Gelbard signed the documents on their governments' behalf, in an office at the Planning and Coordination Ministry.

In Bolivia's name, Minister Romero praised the importance of U.S. financial assistance and added that these economic resources will enable the Bolivian Government to support the efforts being made in the country to develop several sectors of the national economy.

Ambassador Gelbard pointed out that U.S. help is intended to complement Bolivian efforts for economic and social development, especially now that Bolivia is implementing a decisive process of economic reactivation and self-sustained growth.

The projects foreseen in the amendments are for the development of small enterprises, to which $1.4 million has been assigned, and for the promotion of exports, to which $700,000 has been assigned. The amendments also foresee special development activities and the establishment of rural units, to which $300,000 has been assigned.

About $235,000 has been assigned to the health sector to support child and community health projects; $210,000 to fight AIDS; $570,000 to support Chapare regional development projects; and $230,000, to pay for scholarships to low-income students.

University Personnel Protest U.S. 'Disrespect'

PY0407201489 La Paz La Red Panamericana in Spanish 1700 GMT 4 Jul 89

[Text] At 1200 today, La Paz University professors, administrative personnel, and students staged a demonstration at the San Andres University atrium. Later they marched along several downtown La Paz streets.

University leaders stated that the demonstration was organized for today, 4 July, when the United States is celebrating another anniversary of its independence, because the U.S. Government has shown disrespect for Bolivian sovereignty, national dignity, and national laws by sending military troops and intelligence agents to Bolivia. [recorded passage indistinct]

IMF Signs Memorandum, Grants $36-Million Credit

PY0407013889 Madrid EFE in Spanish 2310 GMT 3 Jul 89

[Excerpt] La Paz, 3 Jul (EFE)—Finance Minister Ramiro Cabezas has reported that the IMF has approved the performance of the Bolivian economy and that it has agreed to sign a new memorandum of understanding and to grant a $36-million credit.

The minister said that the decision to grant the credit was announced by an IMF mission that arrived in Bolivia last month. The objective of the mission, which is about to complete its work, is to evaluate the economic situation. [passage omitted]

Brazil

Government Says GATT Should Handle Problems

PY0407141889 Brasilia Radio Nacional da Amazonia Network in Portuguese 1000 GMT 4 Jul 89

[By Gustavo Mariani]

[Text] The Brazilian Government believes that the trade disagreements it has been having with the United States will be solved at the GATT. Itamaraty Secretary General Paulo Tarso Flecha de Lima said that Brazil will continue to discuss at GATT the legitimacy of the U.S. unilateral measures regarding alleged losses caused by 16 of the products Brazil exports to the United States. Those products range from pharmaceuticals and photographic material to chocolate.

Flecha de Lima explained Brazil's position regarding trade unilateralism:

[Begin Flecha de Lima recording] We believe that within the system of multilateral trade, no country has the right to adopt measures that may harm a trade partner. [end recording]

Flecha de Lima said that Brazil, India, and Japan are trying to make other countries understand [words indistinct] and forcefully oppose unilateral measures in international trade.

Finance Ministry Sends Note to Embassies

PY0307223289 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 1 Jul 89 Economics Section p 4

[Text] Brasilia—A classified note mailed yesterday to the main Brazilian ambassadors abroad by the Finance Ministry explains the country's foreign reserves position and raises the possibility that interest payments to creditor banks might be suspended. Here is the text of the note, which the Estado Agency obtained in Brasilia:

Protection of foreign reserves

Evaluation:

1. Although our reserves have remained stable at about $5.6 billion since May, there are clear indications that they might decline considerably in the next few weeks as several factors come into play: Payments to the Paris Club to the tune of $812 million falling due on 30 June 1989 ($232 million) and 3 July 1989 ($580 million); accelerated remittances of profits, dividends, and repatriated capital (total January-June remittances of $2.0 billion against $1.8 billion throughout 1988); and a possible gradual decline in monthly trade-balance surplus. To this should be added the fact that, for lack of an agreement with the IMF, resources on the order of $2.5-3.0 billion ($800 million from IMF, another $800 million from the World Bank, $600 from commercial banks, and another $600 million from the Japanese Government) will not enter the country this year.

2. This prospect makes it necessary to adopt measures to protect our foreign reserves, measures such as the temporary suspension of remittances abroad and creation of an instrument to protect against foreign exchange fluctuations and currency devaluation. This note will only refer to the temporary suspension of remittances abroad, aspects such as its scope, the way in which it will be presented, and the time when it will be implemented.

3. Scope: The restriction on remittances, which should be implemented by the control of foreign exchange payments through the decision to channel all such payments through the Central Bank, should be initially applied to remittances of profits, dividends, and repatriated capital, as well as to the interest and principal on loans from multilateral financial organizations, the Paris Club, and commercial creditor banks. Each case should be separately evaluated.

a) The temporary suspension of remittances related to profits, dividends, and repatriated capital seems necessary at this time, especially because an eventual suspension of interest payments later may affect all remittances. But this suspension should not last long, only until a hedge instrument can be created so as not to hamper the future inflow of investments into the country.

b) Suspension of interest and principal payments to organizations. This is the payments outflow for the second half of this year:

—$560 million for principal

—$600 million for interest, of which $150 million is to the IMF and $450 million to the World Bank, the Inter-American Development Bank, and the International Finance Corporation.

The suspension of payments to these organizations, however, does not seem to be advisable, because:

—Brazil should receive, in the second half of this year, from these organizations resources on the order of $500-700 million;

—it seems that the country has not suspended payments to these organizations before, even though the country has an option to suspend them.

—in Latin America, countries that have delayed for more than 6 months their payments to the IMF are Peru, Guyana, Honduras, Panama, and Haiti.

—as opposed to the reaction from commercial creditor banks when payments to them are delayed, the reaction from these official organizations is not to refinance the payments, but to force those payments.

c) Suspension of payments on interest and principal to the Paris Club. The following is the list of payments for the second half of the year:

—a $970-million interest payment (there is also a $230-million payment on 30 June).

—a $183-million principal payment.

The suspension of payments to the Paris Club would also be disadvantageous for the following reasons:

—During the negotiations with the Paris Club, Brazil was granted favorable terms, and now credit agencies can operate with Brazil;

—the possibility of receiving Japanese financial support, even if small, should not be ruled out. This will depend on the way banks are notified of the decision to suspend payments;

—finally, from a political viewpoint, the governments of the creditor countries can understand and cope with the consequences of a suspension that does not seek confrontation. However, any decision to suspend all payments without good reasons would cause a confrontation between Brazil and its creditor banks and countries. This could also increase the risk of retaliation.

d) Suspension of payments on interest to the banks. The payments scheduled for the second half of the year are $3.7- billion on the medium and long-term debt and $700-million on the short-term debt. Our country is not interested in suspending payments on its short-term debt. Consequently, the suspension of payments on the medium-term debt should be enough to maintain our reserve level. The political cost would be also lower. All suspended payments can be refinanced by the banks or converted through debt-reduction operations. Finally, the suspension of payments to the banks will not affect ongoing projects, contrary to what would happen if World Bank disbursements were suspended or if export credit agencies were once again closed to Brazil.

4) The notification of the proposal: It would be very important to present the decision as discreetly as possible, with detailed technical justification, and after clarifying the issue with the main creditor governments and with the bank committee. (The meeting today with the financial attaches of the embassies of the industrialized countries presents a good opportunity for an initial explanation).

5. The time for the notification: There is strong interest in avoiding a formal suspension of payments at this time. In fact, the U.S. Treasury has expressed willingness to consider possible solutions with the Brazilian Government. In addition, Japan's Eximbank president will visit Brazil on 20 July to sign two loan contracts with our country.

Meanwhile, the measures for maintaining our reserve level without Central Bank control over foreign remittances, such as delaying payments to the Paris Club or delaying the disbursement of funds by the STN [National Treasury Secretariat]—a procedure that the STN has already adopted—do not seem to be enough.

Payments Reportedly Delayed

PY0507023689 Rio de Janeiro O GLOBO in Portuguese 4 Jul 89 Economic Section p 2

[Text] Brasilia—The government has delayed a $812-million payment to the Paris Club. No decision has been made to suspend the payments but to adopt a precautionary measure in order to assess the reserve level and to perform a careful study of the payments and of the expected income of currency. This measure followed the 30 June imposition of Central Bank control over foreign remittances. The delay will also affect other payments, including a $400-milion payment on to the refinanced foreign debt. This payment, for which the guarantor is the federal government, comes due in July.

A close assistant to Finance Minister Mailson da Nobrega has explained that the delay in the payments to the Paris Club does not involve an attitude of confrontation, which would be inappropriate from a political viewpoint. A $232- million payment came due 30 June. A $580-million payment came due 3 July.

This delay has irritated several economic team advisers, who have refused to officially announce it. Arnin Lore, director of the foreign debt department of the Central Bank, has neither confirmed nor denied the delay. With irritation in his voice he told a reporter to contact the sources of the reports published by O GLOBO on 1 July. According to a government source, the economic team does not want to officially announce the delay because it indicates the possibility of a moratorium in September, when Brazil will have to pay approximately $2.5 billion.

Congress Approves Budget Guidelines Law

PY0307161889 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 1 Jul 89 Economics Section p 3

[Text] Brasilia—The new Budget Guidelines Law (LDO) approved yesterday by Congress establishes guidelines for the 1990 fiscal, social security, and state-owned enterprises investment budgets. The LDO eliminates 80 percent of the public posts not filled by 1 January, cuts 50 percent of fiscal incentives, with the exception of those granted by SUDAM [Superintendency for Development the Amazon Region] and SUDENE [Superintendecy for Development of the Northeast]; limits the issuance of government securities for financing the public debt; and forbids the floating of government securities for rolling over the foreign debt. "These are the most stringent guidelines established for the executive branch by Congress," Deputy Jose Serra (PSDB [Brasilian Social Democracy Party] of Sao Paulo), sponsor of the bill, said yesterday.

President Sarney will not be allowed to spend more than one-fifth of the 1990 budget during the time from January to 15 March. The LDO also forbids the president to commit expenditures beyond 15 March, when his office term will end. In the General Guidelines chapter, the LDO cuts expenditures for senators' cars (except for the Senate president's car). This means that the senators will have to pay for car fuel and maintenance out of their own pockets. Expenditures related to these officials' residences and furnishings are also forbidden.

Under provisions of the LDO, the budget bill, which the executive branch must submit to Congress by the end of August, will have to tie increased expenditures to increased tax revenues. The executive branch will have to cancel by decree expenditures for which financing is not provided. Expenditures on public servants' payroll in 1990 cannot be increased in real terms; publicity expenses must be cut by half; travel expenses, by 10 percent; and consulting expenses, by 20 percent.

States and municipalities will be allowed to roll over 75 percent of their foreign debt falling due in 1990. This year, they were allowed to roll over 90 percent of their foreign debt, and governors and mayors wanted to be allowed to roll over the same percentage in 1990. However, Deputy Jose Serra and Congress decided to reduce this percentage. States and municipalities will have to pay interest on overdue debt to the federal government. The LDO forbids signing agreements with states and municipalities that fail to institute all taxes provided for in the Constitution.

Under the LDO, state-owned enterprises will be allowed to raise private resource for investments. According to Deputy Serra, those enterprises will be allowed to do so since the government might decide to float securities for

the specific purpose of raising capital for those enterprises. Also under the LDO, revenues from social security fees will have to be deposited in the special account of the Social Security Ministry.

Civil Servants Demonstrate for Higher Pay

PY0507003689 Rio de Janeiro Rede Globo Television in Portuguese 2300 GMT 4 Jul 89

[Text] The government has resumed negotiations with the civil servants who are on strike. A new proposal has been presented, including an automatic increase [gatilho] provided that the inflation rate is above 8 percent.

During the negotiations, the civil servants staged a protest at the esplanade in front of the ministries in Brasilia. This was the largest demonstration by civil servants since the beginning of the strike which has been going on for 22 days.

The strikers banged on cans and carried placards about their 46 main demands. The main demand is a 71.31-percent salary readjustment.

This demonstration of strikers also attracted the presence of the largest number of policemen ever seen at the esplanade. The police arrived with antiriot squads, water cannon, dogs, and horses.

Late in the afternoon, the strike command held another round of talks at the Labor Ministry. The government offered a quarterly readjustment, with an automatic readjustment provided that the inflation rate is above 8 percent, and payment for the non-worked days.

The government has also proposed the implementation within 30 days of a salary policy and of a single legal project for public employees.

Some incidents were reported during the demonstrations. Two employees were detained and taken to the federal police headquarters. One of these employees, from the Transport Ministry, will be tried for promoting the strike and causing physical injuries to others.

The meeting between employees and government representatives just ended here tonight at the Labor Ministry. The employees will study the government proposal tomorrow during a general meeting.

PFL Chooses Chaves for Presidential Slate

PY0407011589 Rio de Janeiro O GLOBO in Portuguese 3 Jul 89 p 3

[Excerpt] Brasilia—On 2 July former Mines and Energy Minister Aureliano Chaves was proclaimed PFL [Liberal Front Party] presidential candidate. He received the support of 284 of the 507 delegates to the party convention. Actually, only 287 votes were cast, 2 of which were blank and 1 which was disqualified. Chaves received only 30 votes more than the number of votes (254) required to approve his candidacy. Claudio Lembo, his running mate, received 270 votes. [passage omitted]

Colombia

Commission To Study Guerrilla Dialogue Proposal

PA0307131689 Bogota Emisoras Caracol Network in Spanish 1220 GMT 3 Jul 89

[Text] The so-called Commission of Notables will begin to study tomorrow the peace documents that guerrilla groups drew up during the meeting of the guerrilla coordinating board. For several days, various guerrilla groups discussed the peace process, and their viewpoints will be made known within the next few hours in a document they will send to the Commission of Notables. The Commission of Notables includes former Presidents Misael Pastrana Borrero and Alfonso Lopez Michelsen and business leader Fabio Echeverri Correa.

Social Conservative Senator Alvaro Leyva Duran, who attended the guerrilla summit held in [name indistinct] municipality in Meta Department, said that the participants from the various groups considered the summit to be the culmination of the first part of a process that ended with the forming of the Commission of Notables.

Leyva Duran said that the subversive groups' proposal insists on the holding of a direct dialogue with the government. He said that the guerrilla coordinating board is working on the basis of the proposal of the Commission of Notables, which should meet to gather all the information and to set guidelines for how a dialogue will be held.

Guerrillas Deliver Proposal

PA0407012089 Buenos Aires REUTER in Spanish 2332 GMT 3 Jul 89

[Text] Bogota, 3 Jul (REUTER)—Three Colombian guerrilla groups today delivered a new peace proposal to an opposition senator, who called the document "good news" for the country. Conservative Party Senator Alvaro Leyva Duran told the press last night that the plan was drawn up by the Revolutionary Armed Forces of Colombia (FARC), the Popular Liberation Army, and the Quintin Lame Commando Unit, an Indian self-defense group.

Leyva declined to comment specifically on the proposal but said that it was received after a weekend of high-level meetings among the guerrilla groups near the town of San Juan de Arama, in the eastern Meta Department. He added that the fact that the guerrilla groups have expressed a desire to take new steps toward peace is "good news" for the country.

The senator said that he planned to deliver the proposal to the so-called Commission of Notables, which is made up of two former presidents, a leading industrialist, and

a Catholic cardinal. The commission was appointed in February to negotiate with the FARC, Colombia's largest guerrilla group, after FARC refused to take part in a peace plan proposed by President Barco's administration last year.

The non-Marxist, nationalist M-19 [19 April Movement] is one of the leading guerrilla organizations that have accepted the plan. Its representatives began direct negotiations with the government in January. RCN [Radio Cadena Nacional], one of Colombia's major radio networks, said that the plan called for a dialogue with the government, electoral reforms, and tougher action against the rightist paramilitary groups.

Foreign Minister Assesses Recent Venezuelan Visit
PA0307123889 Paris AFP in Spanish 1855 GMT 2 Jul 89

[Text] Bogota, 2 Jul (AFP)—Colombian Foreign Minister Julio Londono reiterated here today he is pleased about Venezuela's positive attitude regarding the two countries' bilateral aspects. He added that the problem of the demarcation of marine and submarine areas in the Gulf of Venezuela is a marginal matter in their bilateral relations.

Londono was resting in Bogota today after his return from Venezuela, where he spent 3 days on an official visit to reactivate relations between the two nations. Regarding this, he said Venezuela and Colombia want to reach just and fair solutions.

He said the gulf problem is a marginal issue rather than the main issue in our relations. He added that there are other problems on each side of the border and warned that during his visit to Caracas, the two nations were able to advance on an unprecedented road, especially regarding a climate of frankness.

Londono said the border issue cannot become the main point of negotiations between Colombia and Venezuela. He further stated that the two nations are also seeking to overcome common conflicts, problems that require priority handling and quick solutions.

He noted that the discussion on the demarcation of marine and submarine areas is on the right path by being in the hands of the high commissioners of the two countries. These commissioners will create mechanisms to overcome problems such as the gulf issue. He added that the commission will meet in Cartagena, on the Colombian coast, tomorrow to determine its "modus operandi."

He repeated with satisfaction that there is a climate of frankness, friendship, and understanding that is a clear example for other nations in the hemisphere.

Londono added that relations are good at this moment, because there is consensus and understanding, which helps overcome normal difficulties between the two nations.

In addition, he stated that President Virgilio Barco's administration is considering the elimination of visas for Venezuelans who come to Colombia, in reciprocity for a similar measure recently adopted by President Carlos Andres Perez.

*** Distribution of Petroleum Income Studied**
33480205b Bogota EL TIEMPO in Spanish 21 May 89 p 2-B

[Report by Luis Alberto Martinez: "Division of the Petroleum Pie"]

[Text] The ELN [Army of National Liberation] has tried to depict its destructive acts of sabotage against the petroleum industry as a protest against the presence of multinational companies in this sector.

A burning issue in petroleum policy is the role which foreign companies play. Is it right for Colombia to have multinational companies participate in the petroleum industry? Who takes the lion's share when the government is associated with a foreign petroleum company?

One point rarely dealt with because of its complexity but of crucial importance to understand the reasons behind foreign participation in the exploration and production of petroleum is the very high geological risk. Contrary to the popular belief that petroleum is found in subterranean pools, in reality it is found trapped in porous rock. To find the places where there may be petroleum, several kinds of rather complicated studies are carried on which, finally, are not definitive by themselves. Only drilling in the subsoil until the place suggested by these studies is reached can prove whether or not there is petroleum present.

It is well known in the petroleum business that, on a worldwide basis, out of 10 shafts drilled to find petroleum only one of them discovers commercially exploitable deposits of oil. And with the passage of time, as more fields are found, leaving in the subsoil deposits which are the most difficult to find, the ratio tends to become more unfavorable. Furthermore, if we keep in mind that one well in Colombia can cost $4 million to drill, this will give us an idea of the cost involved.

The point of present Colombian petroleum policy is to leave it to the foreign companies to put up their money in this game of Russian roulette. If they lose, if they do not discover petroleum, the multinational companies lose their money, and Colombia does not put up one centavo. However, if they find petroleum, the Colombian government takes more than 80 percent of the net profits generated by the production of the petroleum found.

The Lion's Share

According to a detailed study undertaken by Jose Fernando Isaza, the former president of Ecopetrol [Colombian Petroleum Company], the Contracts of Petroleum Association are structured in such a way that the government cannot lose.

In the first place the state receives 20 percent of the production in royalties, whether there is a profit or not. For this reason, if prices decline significantly, the multinational loses money, but the state still has its royalties. That is, in any case the state receives income amounting to 20 percent of the production, at a minimum.

In addition to royalties, the two other sources of net income for the state are the profits of Ecopetrol and the taxes which the multinational companies pay on their profits. After adding up these three components, that is, the royalties, the profits of Ecopetrol, and the taxes paid by the multinational companies, the state is left with between 80 and 100 percent of the profits of the project. The remainder goes to the foreign investor. At most it may amount to 20 percent but it also can be nothing at all.

The truth is that the business is so profitable that, even with less than 20 percent of the total profits of a petroleum project, it is attractive for foreign investors. We should keep in mind that, according to Ecopetrol, 19 new Contracts of Association were signed in 1988, bringing the total number of contracts in force to 84.

Foreign Investment

According to the latest annual report by Ecopetrol and data from the Petroleum Industry Information Center (CIIP), during the 1980's $1.658 billion have been invested in Colombia in seismic research and well drilling. Of this total the foreign companies provided $1.382 billion, or 83 percent of the total effort undertaken in Colombia to find petroleum. For its part Ecopetrol has invested the remaining $276 million during the same period.

However, Ecopetrol only explores in areas where there is less risk and where the geology is more attractive. This is reflected in its greater percentage of success. According to the CIIP, in 1988 Ecopetrol had a 67 percent rate of success while the multinationals, which provided 83 percent of the exploration investment, only had a 33 percent rate of success. This means that of the 61 exploration wells which the multinationals drilled in 1988 petroleum was found in only 20 of them, whereas Ecopetrol found oil in 16 of the 24 wells it drilled.

Finally, Colombian petroleum policy is a good business for the country and an attractive prospect for foreign investors. If it were not for this foreign capital, we could not maintain the present levels of exploration without expending resources which now are earmarked for high priority social programs.

Private Efficiency

Another positive aspect of our petroleum policy, anticipated by legal provisions which go back to the beginning of the 1970's, lies in the fact that the nation can benefit from the efficient technology developed by the multinationals to carry out major projects, without having to submit to the annoying regulations which protect public sector companies. Much is said today about the advantages of the private sector, based on the worldwide tendency to privatize services which formerly were considered within the exclusive jurisdiction of the state. This is a tendency which affects even the nations of the communist bloc. In the petroleum industry the efficiency of the private sector has been clear.

For example, the project under which the Cano Limon petroleum field was developed was carried out under the system of private law by foreign and Colombian companies. This petroleum discovery, which former Minister Perry calls "exceptional" in a recent article published in COYUNTURA ECONOMICA would not have had the same economic impact if all of its infrastructure had not been built with the really dizzying speed with which it was constructed. The oil deposit was discovered by the Occidental Petroleum Company in 1983. Some 2 years later, in December 1985, it produced its first barrels of petroleum. During those 2 years wells were drilled, two production stations were built, as well as a pipeline which passes through six departments of Colombia, crossing the Cordillera Oriental range of mountains at two points.

By comparison we have the central oil pipeline of Los Llanos which ties together the petroleum towns of Araguaney, Porvenir, Apiay, and Vasconia, whose construction was begun, according to data from the CIIP, before the discovery of Cano Limon. Today, or 6 years later, it has still not yet entered into operation.

Meanwhile, the gigantic Cano Limon field produces 230,000 barrels daily, which amounts to more than half of the petroleum output of the country. According to Perry, its production made it possible for Colombia to diversify its external income and avoid a foreign exchange crisis in 1987, when income from coffee fell by more than $1.1 billion. Perry shows how, in 1987, petroleum transfers represented almost 20 percent of the current income of Colombia.

In conclusion, Colombian petroleum policy is an excellent business for the nation. However, at the same time it also makes it possible for it to be a good business for foreign investors, without whose contribution our petroleum history would be very different.

Antioquia Governor Assassinated in Medellin

PA0407141689 Paris AFP in Spanish 1344 GMT 4 Jul 89

[Excerpt] Medellin, Colombia, 4 Jul (AFP)—Antioquia Department Governor Antonio Roldan Betancur was killed today in an attack with explosives, the Medellin metropolitan police have confirmed.

According to preliminary reports, three of Roldan's bodyguards were also killed when a car bomb exploded in a street adjacent to the Atanasio Girardot soccer stadium and the Martin "Cochise" Rodriguez velodrome in southwestern Medellin.

The attack took place at approximately 1300 GMT, when the governor was on his way to the office in his official car. He was scheduled to preside today over a regional security council meeting. [passage omitted]

Further on Assassination

PA0507041489 Bogota Inravision Television Cadena 1 in Spanish 0030 GMT 5 Jul 89

[Text] No group has yet claimed responsibility for an attack that claimed the life of Antioquia Department Governor Antonio Roldan Betancur and six others. The governor was to participate today in a regional security council to draft, along with the Armed Forces, the Police, and other security organizations, measures to curb violence in Medellin.

Antioquia's Mayoral Office announced that Roldan, who was a surgeon and father of two young daughters, had not received any death threats during his tenure as governor, a position he had held since August 1988. The following is a report on the grisly scene observed this morning 2 blocks from the governor's residence, near Medellin's Atanasio Girardot Stadium:

[Begin recording] [Unidentified reporter] The governor and his bodyguards had only traveled two blocks from the governor's apartment and were headed for his office to inaugurate a new security council.

[Eyewitness Nilson Castillo] I was accompanied by my wife, whom I was driving to work. The traffic light changed to red and the governor's vehicle stopped next to ours. Another vehicle later stopped behind the governor's. When the light turned green, the governor's car started to roll away normally and his bodyguards followed him. I also took off. The Renault, which was behind me, passed my car. We had only driven about 80 or 100 meters when we heard an incredible explosion; we saw a cloud of smoke. The governor's car turned around and was thrown 1 meter into the air; the vehicle was on fire.

[Eyewitness Neftali Gomez] The explosion was incredible; it was very strong; it was incredible. It covered a radius of about 3 blocks.

[Reporter] Did you manage to see anyone leaving the governor's vehicle?

[Gomez] The governor could not leave his vehicle because it was completely destroyed and engulfed by flames. [end recording]

According to the authorities, had the vehicle not caught fire, the governor's fate could have been different. The vehicles and 14 area buildings were damaged. Rodrigo Garces Montoya, Conservative town councillor for Itagui, (?was burned to death) in a Renault located a few meters from the official vehicle. Three policemen who were serving as his bodyguards and a subway employee who was working in the area were also killed.

The bomb, set off by remote control, not only killed the governor, but threw the body of a policeman against a garage door at a nearby house. The policeman's dead body fell next to the garage door and pieces of his motorcycle were scattered all over the ground.

Only the hood of the exploded vehicle—a Mazda van, model 1600—was identifiable. Hundreds of pieces were scattered throughout the area. Although the authorities showed up almost immediately, the only lead they have is a remote control mechanism found under the bleachers of the Olympic Swimming Pool, on the other side of the street.

From here, 150 meters from the site of the car bomb, it would have been possible to see the governor's vehicle proceeding down the street. The remote control device that activated the bomb was found here in a sewer.

Ecuador

Borja Scores Febres-Cordero Comments on Economy

PA3006190589 Quito Radio Quito in Spanish 2300 GMT 29 Jun 89

[Text] Ecuadoran President Rodrigo Borja has dismissed as not important comments made by former President Leon Febres-Cordero during a recent television interview. Febres-Cordero said the country's economy is in confusion. Borja disagreed with Febres-Cordero's assertions and said the message read by Febres-Cordero failed to convince the public. In addition, Borja condemned Febres-Cordero for visiting sorcerers prior to speaking in public.

Borja said the country's current economic condition was considered during his most recent meeting with government economists. He noted some positive aspects of the nation's economy, including a lowering of the high inflation rate, which he attributed to Febres-Cordero's mismanagement. Borja spoke today at an event in CIESPAL [International Center for Advanced Journalism Studies for Latin America], where he opened a television studio.

[Begin recording] [Borja] At noon yesterday, I pointed out to Febres-Cordero that he should not appear on television because, if he reads as he did [words indistinct], the country will not know from whose mind these ideas came. At best, these ideas came from whomever

Febres-Cordero obeys, the Brazilian whose photograph is familiar not only to Ecuador, but to all of Latin America. Thanks, my friends.

[Reporter] [Words indistinct]

[Borja] As you have surely guessed, we are trying to smooth things over and (?solve) our economic problems. We are involved in a process to improve things in the country. There is every indication that we are gradually restoring the country's economy, which Febres-Cordero destroyed. As for prices, [words indistinct] because he introduced inflation in the country. Inflation continued at the same rate in the first few months, but it is now under control.

[Reporter] [Words indistinct]

[Borja] I think this is a great step forward for CIESPAL, this leading, dynamic Latin American organization.

[Reporter] How about your exchange policy and [words indistinct]?

[Borja] [Words indistinct] manufacturing plants so underpricing and overpricing will disappear. [end recording]

DP Ends Collaboration With Government Party

PA0307130389 Paris AFP in Spanish 1903 GMT 2 Jul 89

[Text] Quito, 2 Jul (AFP)—Following a heated session in which a large sector of the party walked out, the Christian Democratic Popular Democracy Party (DP) yesterday decided to end its collaboration with President Rodrigo Borja's Democratic Left government.

DP President Vladimiro Alvarez announced a national board meeting on Monday to confirm the decision adopted by 22 delegates, who yesterday declared a general commission meeting while 21 other delegates who wish to continue working with the government met in a restaurant.

The board meeting was momentarily suspended after National Congress President Wilfrido Lucero and his group walked out, thus leaving the meeting without the necessary quorum.

Lucero argued that he represented the majority and that the majority wanted to maintain a patriotic collaboration, which rejects selfishness and mere election interests.

While Lucero was at the restaurant giving statements to the local media, two more delegates arrived at the party headquarters in Quito, where the session was being held, thus allowing the meeting to continue, and the decision was made to declare the meeting a general commission session.

The ID and DP made a cogovernment pact on 10 August of last year, and the DP's support guaranteed the government a comfortable parliamentary majority in exchange for important bureaucratic positions.

Borja and his spokesmen have stated their desire to maintain the alliance, but the Christian Democratic sector led by former President Osvaldo Hurtado (1981-84) believes that this would reduce the party's chances in the upcoming elections, the prospects for which appear good because of the party's sustained growth.

Hurtado always opposed the alliance, but the majority of the directorate members opted for the collaboration.

The 22 to 21 delegate split in the national board, the most important entity within the party, complicates the situation, and internal differences might lead to a division. This would be nothing new in Ecuador, which has 17 recognized political groups and a similar number of political movements that hope to become parties.

Alvarez, Hurtado, and their followers resolved at the general commission meeting that the collaboration will not be extended beyond 9 August, the eve of the parliament's annual internal elections, and that they will not agree to the ID proposal that the DP again assume the congress presidency with eight deputies.

Government Denies Letter of Intent for IMF

PA3006235089 Hamburg DPA in Spanish 1815 GMT 30 Jun 89

[Text] Quito, 30 Jun (DPA)—Ecuador today vigorously denied having presented a letter of intent to the IMF agreeing to adopt new and severe economic adjustments and assured that "at least for the time being, any shock treatment has been ruled out."

"No letter of intent is under discussion," Energy Minister Diego Tamariz said." He added that "Ecuador makes sovereign decisions."

However, he did not rule out a future readjustment of fuel prices, which the IMF has requested. "Prices will hinge on national economic needs," he said.

A gallon of a special kind of gasoline is currently sold at 180 sucres ($0.33), one of the lowest prices in the world. Because the price is low as the result of a state subsidy, there is a loss of earnings resulting from the difference between the local consumption price and the crude petroleum export price of about $18 per barrel.

In the past few weeks, at least three IMF missions have been in Ecuador on visits the government describes as "simple routine economic evaluations they need for periodic reports."

Foreign Exchange Reserve 'Improvement' Reported

PA2806161989 Quito EL COMERCIO in Spanish 20 Jun 89 p 1

[Summary] A report released by the Ecuadoran Monetary Board states that in late May, the country's foreign exchange reserves showed a negative balance of $57 million. However, this amount suggests an improvement when compared to April's $73 million negative balance. The improvement is the result of a new economic policy implemented by the country's monetary authorities and higher prices for some export products.

Peru

State of Emergency Declared in Province

PY0207004789 Madrid EFE in Spanish 0031 GMT 2 Jul 89

[Excerpt] Lima, 1 Jul (EFE)—Today the Peruvian Government declared a state of emergency for 60 days in Andahuaylas Province and extended it for the same period in six other departments, thus covering one-third of Peruvian territory.

According to the decree published today in the official gazette EL PERUANO, this measure is justified because "elements who want to subvert order are carrying out violent actions to create an environment of agitation to the detriment of the normal development of public and private activities." [passage omitted]

Vargas Llosa Resumes Presidential Campaign

PY0307185889 Madrid EFE in Spanish 1330 GMT 3 Jul 89

[Text] Madrid, 3 Jul (EFE)—During a news conference at the summer school of the Complutense University of Madrid, in El Escorial, 50 km north of Madrid, writer Mario Vargas Llosa today confirmed that he will continue as Peruvian presidential candidate.

Vargas Llosa has said that he made this decision after the disagreements between the Popular Action and Christian Popular Party were overcome. The disagreements between these conservative parties caused him to withdraw from the presidential race in in June.

Vargas Llosa said that "compromises should prevail in politics; dogmatism is fine in literature but not in politics."

Vargas Llosa added that his return to the electoral campaign "has relieved all Peruvians, 50 percent of whom—recent surveys show—support him."

He said his main concerns are terrorism, which he will try to solve with the participation of the civilian sector, and the foreign debt, which he believes will not be paid if the international financial community does not help Peru achieve economic growth.

Vargas Llosa said that he is scheduled to meet with Spanish Prime Minister Felipe Gonzalez on 5 July to brief him on the current Peruvian situation and to request his support so that Peru can rejoin the international community as of 1990, when he will become president of Peru.

Terrorists Kill Mulqui District Mayor 1 Jul

PY0107032089 Madrid EFE in Spanish 0158 GMT 1 Jul 89

[Excerpt] Huancayo, Peru, 30 Jun (EFE)—The police have reported in Huancayo, located 315 km east of Lima, that alleged terrorists killed Dolores Hinostroza, the mayor of Mulqui district, today. Hinostroza was shot five times in her home.

Hinostroza's children told police that four hooded individuals broke into the house and shot their mother after insulting her. The killers also shouted slogans supporting the armed struggle.

Dolores Hinostroza, 48 years old, did not belong to any political party. She is the second woman mayor killed this week by alleged commando groups of the Maoist Shining Path. [passage omitted]

Alleged Terrorists Kill 17 Peasants, Engineer

PY0407012289 Madrid EFE in Spanish 2317 GMT 3 Jul 89

[Text] Ayacucho, 3 Jul (EFE)—Early today, alleged members of the Maoist Shining path group killed 17 peasants in the small village of Tinte, Huamanga Province, in the southern Andean department of Ayacucho.

The event was reported by Tinte peasants who came to this capital to meet the political-military command authorities, who sent reinforcements to the area.

The agrarian bank office in this city reported today that Shining Path members killed engineer Abel Villantoy, agrarian bank manager in Churcampa, Churcampa Province.

The vehicle Villantoy, while driving along the Huanta-Ayacucho highway, was ambushed by Shining Path snipers in Huayhuas. Villantoy was killed, and his assistant Luis Gomez was seriously wounded.

The incident occurred at 0915 local time (1415 GMT). Villantoy's body was taken to Huanta.

Since it began in May 1980, subversive violence has claimed 14,000 lives in Peru, while terrorists attacks have caused some $10 billion in damages. This information was provided by official sources.

Government Reports Inflation Rate for June
PY0207030089 Lima Television Peruana in Spanish 0100 GMT 2 Jul 89

[Summary] The National Statistics Institute reported today that the inflation rate for June was 23.1 percent and that the inflation rate for the first 6 months of 1989 was 601.2 percent.

Venezuela

Perez Demands 'Responsible' Economic Attitude
PA0507014689 Caracas Venezolana de Television Canal 8 in Spanish 2255 GMT 4 Jul 89

[Speech by President Carlos Andres Perez during ceremony to sign agreement between the government, the Confederation of Venezuelan Workers, and government business chambers at the Miraflores Palace in Caracas—live]

[Text] Workers, businessmen:

Fully aware of what I am saying, I will describe the ceremony that we have just held, in which the main participants were FEDECAMARAS [Venezuelan Federation of Associations and Chambers of Commerce and Industry], the CTV [Confederation of Venezuelan Workers], the government, and the other managerial chambers, as a historic event.

Venezuela is demanding from the main national economic sectors a thoughtful and responsible attitude in keeping with the crucial times our country is undergoing. The Venezuelan people and the foreigners living among us who are watching television, listening to the radio, or who will read in tomorrow's newspapers about this meeting and the signing of this national agreement, will certainly feel hope, even amid the tribulations we Venezuelans are experiencing. Through this pact, they will be able to develop a stronger faith and confidence in our ability to overcome current difficulties.

As president of the Republic, I am deeply moved because we have achieved an important landmark regarding the tasks I undertook to accomplish as of 2 February, when I assumed the Presidency. We have had dialogues concerning this and we have argued about and discussed this agreement for 5 months. We did not feel discouraged. We know that pacts like this are difficult to achieve; that controversy and conflicts of interest always exist in a democratic society; that when one reaches a crisis, such as that existing in Venezuela, it is necessary to look for avenues for change, without disregarding the conflicts of interest which exist in every society, and to obtain the means to reduce or to minimize those conflicts.

This is precisely what we have done. This demonstrates the maturity and high sense of responsibility of the Venezuelan workers and businessmen, who are not overlooking the fact that there will be difficulties, who do not feel that the path along which to achieve our goals has been completely cleared. We are expressing our desire to reach an understanding and, above all, we are demonstrating a high sense of responsibility toward Venezuela. I am sure that the Venezuelan citizens who are listening to us are sharing with us the joy we feel at having managed to agree to the signing of this document.

Of course, this document is merely a statement of intention, an establishment of goals, bearing in mind all controversies concerning aspects of our economy. This document is the expression of our determination to seek solutions to our problems. This expression of our determination was extremely important, and we had to begin from there. I am not oblivious to the difficulties we will endure during the course of these talks, of these dialogues which we will now begin in accordance with this document and in accordance with the rules and regulations that will soon be drawn up and approved by the parties.

However, our nation's people today are regaining their confidence in their leaders' sense of responsibility. That sense of responsibility must exist, because in the future it will be impossible for us to avoid rendering a full account of our actions. Each sector must become imbued with a sense of the commitment it has to Venezuela. All of us together must realize that the ultimate fate of the Venezuelan people's enormous sacrifices depends on this agreement.

After all, it is the people, the entire society that is bearing the impact of this crisis and that is trusting in the ability of labor leaders, business leaders, and government leaders to seek solutions and to clear the way to the achievement of the general well-being that we all anticipate amid the anguish that we are experiencing today.

Of course, other problems remain for us to face. On this occasion, I wish to tell my compatriots that I will now seek a pact in the political sphere with the parties that are represented in the National Congress so that we can also give the country—you workers, you businessmen—assurances that the political parties are also going to fulfill the important mission that it is their duty to fulfill at the present time in Venezuela.

The tasks of the National Congress will be decisive in the plans and projects carried out by the government, the labor sector, and the business sector. As is customary in a democracy, the ball is in the political parties' court; they have become joint leaders. We must understand, once and for all, that the government is not just the Executive Branch. The government consists of the Executive, Legislative, and Judicial Branches. Cooperation among the three branches is necessary, and in times of crisis it becomes urgent and cannot be postponed. We have to reach an agreement with the political parties so that the laws that apply to the economic process, on which our effort will be centered, will obtain a maximum consensus and will reflect the true situation in Venezuela.

Of course, if an agreement among the economic sectors is difficult because of conflicting interests, so is an agreement among the political sectors, the various Venezuelan parties. However, in this area, too, we must take special pains, we must make a special effort and overcome minor difficulties with the understanding that this is a decisive moment in the fate of Venezuela.

I am not saying this for dramatic effect. The fate of our democracy depends on our success in this endeavor which we are undertaking. My administration is not tied down to dogmas or party slogans. I am a member of a party. I have responsibilities and a commitment to that party, but, above all—and the party to which I belong understands this—I have a responsbibility to all the national sectors; I owe respect and proper treatment to the other political parties and institutions that make up the Venezuelan nation. This is how I have acted and how I am prepared to continue to act, particularly now when I have assumed this new, historic commitment to achieve an agreement among the basic sectors of the Venezuelan economy.

However, we must also reach an agreement concerning problems that deeply affect our society. The country today is shaken by constant charges of corruption. Day after day, news reports, information, judicial rulings, accusations, and charges are upsetting the nation.

Venezuela's constant unrest, scandals, and problems are in many ways harmful to the country. A closer look, however, will reveal that in today's Venezuela, it is necessary to openly discuss corruption—a problem which has been raised in the past but which had never been handled with decisiveness and political resolve. Venezuela is currently shaken by corruption. The people seem to understand that most of the problems in Venezuela today are the result of bad business deals and management in both the government and private sectors. We failed to manage our economy intelligently; we were happy amid the squandering that we deeply regret now. An abundance of resources prevented us from firmly outlining economic policy guidelines, guidelines for industrial and agricultural development, and Venezuela's general economic development.

We trusted that an abundance of resources would allow us to gradually solve all the problems that would eventually crop up. We did not think about, we did not reflect on our many problems, on the accumulation of artificial conditions that could harm us one day, to the entire country's detriment. This in fact happened.

Therefore, the political parties and the government, business, and labor sectors should examine the situation and make a concerted effort to confront problems such as corruption, which have found their way into Venezuelan society's entire framework. Our time has come; this is our chance. Our time has come, for we are truly in the process of restructuring Venezuela. We also aspire to a Judicial Branch that will give Venezuelan society—that majestic institution fundamental to a democratic process—the stature and position it deserves.

Our judges should be Venezuelans worthy of the respect and confidence of each and every one of us. Each of us should be inspired by a definite and just fear of the severity of the legal system that must judge us and force us to coexist within the ethical and judicial regulations that govern Venezuelan society.

I propose, workers and businessmen, that we put a great deal of effort into this concerted political effort, which will complement our concerted economic effort. I am certain that despite this inherent controversy—which is part of Venezuela's democratic policy—and despite our economic problems, we will make the country's basic interests come first; we will set aside our partisan conflicts to solve problems common to all of us Venezuelans at this decisive time when a new path for the nation must be defined. This government does not belong to a party; it does not belong to one president. Our government must be a government resulting from a concerted effort. Let us get to work. That is what I ask of all Venezuelans. [applause]

Gunmen Attack San Cristobal Installations

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[Text] Caracas, 3 Jul (DPA)—Unidentified persons traveling in six vehicles last evening [2 July] attacked, apparently using submachineguns, the 1st Infantry Brigade's installations in the Venezuelan city of San Cristobal, it was reported today in Caracas.

According to the information, the unidentified persons passed in front of the military installations and opened fire, but no one was wounded. They later attacked public buildings, a bus depot, a small market, and some residences before fleeing.

A man and a woman, found trapped inside an overturned vehicle near the site of the attack, were questioned to ascertain if they participated in the action. Nevertheless, there were no further clues to identify the attackers.

San Cristobal, located 815 km southwest of Caracas along the Colombian border, is the capital of Tachira State.